

Houses without debate. The measure was signed into law on June 13, 1933 (Public Law 43, 73d Cong., 1st sess.).

In general, the congressional act followed the outlines of the original administration proposals. Amendments advanced during debate in the House included: guaranteeing the principle of HOLC bonds; extension of the coverage of the act to four-family houses and to buildings used for commercial purposes, a lower interest rate, direct cash loans, and removal of the tax exemption from HOLC bonds. The main change in the Senate version was the addition of a provision for cash loans at 6 percent interest on up to 50 percent of the present value of the property in situations where the lender would not accept HOLC bonds. The Senate Committee on Banking and Currency also added a provision requiring the central office to make uniform rules for the appraisal of property by the HOLC.

The purpose of the act was stated as: "To provide emergency relief with respect to home mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes occupied by them and who are unable to amortize their debt elsewhere, to amend the Federal Home Loan Bank Act, to increase the market for obligations of the United States and for other purposes."

Major provisions of this act include:

(1) Creation of the Homeowners' Loan Corporation by the Federal Home Loan Bank Board with a maximum capital of \$200 million. These assets would be provided by the Treasury which in turn would secure the funds from the Reconstruction Finance Corporation. The Federal Home Loan Bank Board members constituted the Directors of the HOLC.

(2) The HOLC was authorized to issue not more than \$2 billion of its own tax-exempt bonds for cash sale or in exchange for home mortgages. This amount was later increased to \$4.75 billion. The bonds would carry maturities of no more than 18 years and provide 4 percent interest.

(3) The HOLC was empowered to exchange its bonds for mortgages and other obligations and liens on homes or homesteads between June 1933 and June 1936 with the provisions that: (1) No loans could be made for more than 80 percent of the HOLC property appraisal or for more than \$14,000; (2) the property was a one-to-four family dwelling; and (3) that the total value of the property did not exceed \$20,000. Cash could be advanced to pay for taxes, necessary maintenance, and repairs, and for incidental expenses of the loans up to \$50 over the face value of bonds transferred.

(4) The mortgages acquired by HOLC were to be first liens on the property and were

to be amortized over periods not in excess of 15 years at 5 percent interest. Loans with no amortization during the first 3 years also were permitted.

(5) Cash loans for payment of taxes could be made on the same general terms on otherwise unencumbered property up to 50 percent of the appraisal. The HOLC was also authorized to make cash loans up to 40 percent of the appraisal at 6 percent interest in cases where creditors would not accept HOLC bonds.

During the 3-year period, June 13, 1933–June 12, 1936, the HOLC refinanced distressed real estate obligations and other liens of 1,017,821 homeowners with HOLC bonds and cash and acquired mortgage loan accounts amounting to \$3,093,451,321. After 1936, the major objective of the HOLC was the protection of its mortgage investments and liquidation of its bonded indebtedness and capital stock liabilities. Pursuant to the Independent Offices Appropriation Act of 1952, \$75,000 of the surplus funds of HOLC were made available to the Home Loan Bank Board to carry out final liquidation of the corporation. The HOLC was dissolved by order of the Secretary of the Home Loan Bank Board on February 3, 1954, pursuant to legislation approved June 30, 1953 (67 Stat. 121; 12 U.S.C. 1463 note).

### The National Lottery of Honduras

#### EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1962

Mr. FINO. Mr. Speaker, I would like to tell the Members of Congress about the national lottery of Honduras. This small and poor nation, like all of our other South American neighbors, realizes considerable benefits from its national lottery.

In 1961, the gross receipts of a national lottery came to over \$15 million. The net income in that year amounted to about \$2 million. The profits are distributed by the Council for Infant Charity which are spent for public health and hospital facilities.

Mr. Speaker, the national lottery of Honduras is very productive. If the

United States had a national lottery, it would easily and painlessly produce over \$10 billion a year in additional income which could bring relief to our hard-pressed taxpayers.

### Cablegram From Office of the President of the Philippines

#### EXTENSION OF REMARKS

OF

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 21, 1962

Mr. BROOMFIELD. Mr. Speaker, today I received a cablegram from the Office of the President of the Republic of the Philippines, which I think is of interest to my colleagues.

The cablegram said:

President Macapagal deeply appreciates your letter May 11 and wishes to thank you for efforts which you and other friends there are exerting to win approval Philippine war claims bill before adjournment Congress this year. He also wishes inform you that while our people may have been disappointed by the disapproval of said bill, our hearts have been warmed and encouraged by countless messages of support to our cause received from American public officials and private citizens.

Thanks and best wishes.

Secretary Mutuc.

It is my hope that the House of Representatives will soon have the opportunity to consider the amended Philippine war claims bill so that we can demonstrate that our friendship is based upon something more solid than mere words.

There are times when I wonder why we have any friends left in the world as it seems to be much more profitable to have been a former enemy.

This debt to the people of the Philippines should be repaid as quickly as possible. I think we owe it to ourselves, as much as we do the Philippines, to live by our own rules and honor of our own obligations.

## HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 22, 1962

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. ALBERT].

### DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

JUNE 22, 1962.

I hereby designate the Honorable CARL ALBERT to act as Speaker pro tempore today.  
JOHN W. McCORMACK,  
Speaker of the House of Representatives.

### PRAYER

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

An Old Testament beatitude—Psalm 41: 1: *Blessed is he that considereth the poor; the Lord will deliver him in time of trouble.*

Most merciful and gracious God, the manifold manifestations of Thy greatness and goodness compel our minds to wonder and constrain our hearts to worship.

We humbly confess that we often feel greatly concerned about living a life that has length of years but seems to take far less interest in a good and useful life, one that daily seeks to grow in favor with God and man.

Inspire us with a greater passion to minister to the needs of all mankind and may we be glad and grateful that there are so many blessings which we are able and privileged to share with others to help them carry on with courage and hope.

Hear us in the name of the Captain of our salvation. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced

that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 11743. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended; and

H. Con. Res. 473. Concurrent resolution providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11131. An act to authorize certain construction at military installations, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3203. An act to extend the Defense Production Act of 1950, as amended, and for other purposes; and

S. 3291. An act to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury.

#### CONTINUING APPROPRIATIONS FOR VARIOUS DEPARTMENTS AND AGENCIES FOR FISCAL YEAR BEGINNING JULY 1

Mr. CANNON. Mr. Speaker, I ask unanimous consent that it may be in order any time next week to call up a joint resolution to provide continuing appropriations for the various Government departments and agencies for the fiscal year beginning July 1.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Reserving the right to object, Mr. Speaker, this will be a joint resolution which will provide the Government with funds to proceed from July 1 on, but it will not be for an extremely long period; probably 30 days, will it not?

Mr. CANNON. We have, of course, not considered that feature of it. It will be the stereotyped resolution which we have regularly introduced for years to continue the operation of the departments of the Government.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. HALLECK. There have been some reports current that a continuing resolution even running over into the next calendar year might be presented. Certainly I would not favor any such arrangement as that and could not support it. As far as I am concerned, I am not going to object to this unanimous-consent request. But I think what the gentleman from New York has suggested ought to be considered here, that we follow the precedents that heretofore have been carried on limiting these extensions to 30 days at a time, in the hope that appropriation bills can be brought

before the Congress and acted upon as they should be.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TABER reserved all points of order on the joint resolution.

#### SUBCOMMITTEE ON TERRITORIAL AND INSULAR AFFAIRS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Territorial and Insular Affairs of the House Committee on Interior and Insular Affairs be permitted to sit during general debate this afternoon.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

#### FACTS ON FARM LOAN PROGRAMS

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, I have been very interested in the workings of the farm programs for many years as pages of the CONGRESSIONAL RECORD will show. One of the questions that the Congress has not come to grips with,

pertaining to the farm program in my opinion is this simple question. How many farmers receive annually not only a cotton loan, for example, from the Commodity Credit Corporation, but are in the same year receiving loans on several crops? I have been undertaking to obtain some information along this line and it is very difficult to get. It seems this is the type of information that is not easy to obtain.

From Big Springs, Tex., Howard County, I have a letter I received this morning that says—and there are not so many farmers in that county:

Farmers participating in 2 of these programs, 30.

Farmers participating in 3 of these programs, 10.

Farmers participating in four of these programs, six.

Mr. Speaker, I say again the Members of this Congress who want to have a sound farm program should find out how many farmers are getting as many as four or five Commodity Credit loans on as many as four different crops annually.

I include the Howard County letter and other letters:

BIG SPRING, HOWARD COUNTY, TEX.,  
June 19, 1962.

HON. LINDLEY BECKWORTH,  
Congress of the United States,  
House of Representatives,  
Washington, D.C.

DEAR SIR: We believe the following tabulation will answer your letter of June 4, 1962:

	1958	1959	1960	1961
Barley producers.....	21	0	0	0
Total loaned.....	\$18,503.41	0	0	0
Grain sorghum.....	12	69	92	64
Total loaned.....	\$10,676.84	\$73,506.93	\$89,564.41	\$66,417.79
Oat producers.....	9	0	0	0
Total loaned.....	\$6,640.78	0	0	0
Wheat producers.....	2	0	0	0
Total loaned.....	\$12,533.46	0	0	0

Cotton: Howard County has 800 cotton farms. Approximately all farmers used cotton loan programs during the 4 years but information on total loaned is not filed in this office.

There was no participation in other programs.

Farmers participating in programs of two of these crops: Approximately 30.

Farmers participating in programs of three of these crops: Approximately 10.

Farmers participating in programs of four of these crops: Approximately six.

Yours truly,  
JOHN G. HAMMACK, JR.,  
Office Manager.

WASHINGTON COUNTY, BLAIR, NEBR.,  
June 20, 1962.

Mr. LINDLEY BECKWORTH,  
House Office Building,  
Washington, D.C.

DEAR SIR: Listed below is the information requested in your letter of June 4, 1962:

Crop	1958	1959	1960	1961
Barley.....	None	None	None	None
Corn.....	609	773	957	763
Total loaned.....	\$1,386,265.02	\$1,678,044.69	\$2,082,332.52	\$1,826,075.48
Grain sorghum.....	342	27	64	43
Total loaned.....	\$388,816.09	\$27,511.48	\$73,399.48	\$55,440.41
Oats.....	10	None	2	5
Total loaned.....	\$4,489.31	None	\$909.12	\$1,689.70
Rye.....	1	1	None	None
Total loaned.....	\$661.25	\$416.10	None	None
Soybeans.....	178	29	20	251
Total loaned.....	\$221,974.07	\$55,419.24	\$24,017.94	\$300,603.83
Wheat.....	218	115	176	111
Total loaned.....	\$387,368.49	\$122,960.38	\$286,350.15	\$181,334.49
Peanuts.....	None	None	None	None
Rice.....	None	None	None	None
Cotton.....	None	None	None	None
2.....	360	140	250	300
3.....	75	30	10	50
4.....	3	3	2	2

Yours truly,  
ROLAND P. SMITH,  
Office Manager.



CHASE COUNTY,  
COTTONWOOD FALLS, KANS.  
June 20, 1962.

LINDLEY BECKWORTH,  
House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN BECKWORTH: In reply to your inquiry of June 4, about the grain crop loans for the past 4 years, it is our understanding that the Kansas State ASCS office has furnished the information which you requested to the Department of Agriculture in Washington, D.C.

This information may be obtained by you through the Department in Washington, D.C.

Very truly yours,

CECIL R. WILSON,  
Office Manager.

LAKIN, KEARNY COUNTY, KANS.,  
June 20, 1962.

HON. LINDLEY BECKWORTH,  
House of Representatives,  
Washington, D.C.

DEAR SIR: It is our understanding that the information requested in your letter dated June 4, regarding grain crop loans in the last 4 years, has been furnished by the Kansas ASCS State office to the Department in Washington, D.C.

Yours truly,

E. R. VINCENT,  
Office Manager.

JUNE 4, 1962.

DEAR DIRECTOR: For the years 1958, 1959, 1960, and 1961 I desire the following information for your county:

How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many peanut producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many rice producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? Not applicable.

How many cotton producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many farmers participated in the programs of two of these crops? How many farmers participated in the programs of three of these crops? How many farmers participated in the programs of four of these crops?

For this information I shall be grateful.  
Regards,

LINDLEY BECKWORTH.

CVIII—718

DEAR SIR: There has been no participation in the feed grain program as the local market for the years 1958 through 1961 was above the loan value of each commodity.

We have approximately 1,500 upland cotton producers and 850 extra-long-staple producers that are eligible to participate in the Commodity Credit Corporation loan program. However, this program is handled through the lending agencies, cotton brokers and cotton buyers. These agencies have customers west of the Pecos in Texas, all of New Mexico and some in Arizona and California. It is impossible to determine the number of farmers who participated or the amount loaned in El Paso County for each year. The agencies state that approximately 90 to 95 percent of these loans are repaid by the producers including storage, interest, insurance, compression and freight, in this area for each of the years 1958 through 1961.

It might be possible for you to get this information by counties through the cotton division of the ASCS commodity office, USDA, Wirth Building, 120 Marais Street, New Orleans, La.

A. W. JEWELL,  
Office Manager, El Paso County ASCS,  
El Paso, Tex.

#### PRESIDENTIAL SOUR GRAPES

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, today we are witnessing an embarrassing and distressing performance from the man we elected President in 1960 by less than 50 percent of the votes cast. After due process, considerable debate, and ample opportunity for amendment, the House has rejected as improvident and unworkable, the Kennedy-Freeman farm bill. In spite of the strong-arm tactics used by the President and his cohorts to try and ram this bill through the House, 48 Members of the President's own party—16 from the North and 32 from the South—voted against it.

Despite what seems to be obvious to everyone else, the President apparently did not get the message: This bill was a bad bill. The majority of the House Members believed it was not worthy to become the law of the land. And we resented the President's tactics in trying to force it upon us.

Mr. Speaker, I believe the President should stop trying to blame the Republicans for his defeat, a disproved coalition, or anything else—stop acting like a spoiled child, in other words—and take his licking like a man.

If the President will now try to come up with a farm bill that would preserve instead of destroy the freedom to farm, it might well better serve the Nation than the unseemly display of petulance and childish anger we have seen.

#### HYPOCRISY THE GREATEST OF ALL SINS

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, I have before me the Legislative Newsletter of May 28 of the Americans for Democratic Action. That organization has rated me consistently at zero on my voting record, and of that I am very proud. I have always been taught that hypocrisy is the greatest of all sins. The Americans for Democratic Action have reached the greatest height of hypocrisy in their communication. I will now read the article in the ADA newsletter, but I must revise to conform to the rules:

The communications satellite issue is fast ripening in the other body and mid-June is the best guess for probable floor action. A Member of the other body has now firmly committed himself to filibuster; he will be joined by others. This issue can be won; but it can be won only if the Member gets enough cosponsors to stop the A.T. & T. bill by sheer power of talk, and this needs one thing and one thing only; bodies. It is not enough for anyone to say (as many of them have) that they will vote against the bill on the final vote, for if it comes to a vote it is absolutely lost. Every liberal must talk and talk his heart out if this battle is to be won.

I have had to revise some words to conform to the rules, but the message is identical. This is the same ADA that supposedly has fought filibusters for years, that only last year supported the stacking of the House Rules Committee to liberalize it.

#### VOTES ON THE FARM BILL

Mr. DENT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, I just want to say that I heard this talk about why the farm bill was defeated and why people voted either for or against it.

I did not vote against the President nor against the bill. I voted in good conscience because I tried to write into the legislation some protection for the 57,000 independently owned family-sized farms of Pennsylvania that would be cut off under the provisions of this bill simply because they used the base year 1959-60. If we had moved that base year up to 1960-61 and given the Pennsylvania farmers an even break in their economy I never would have voted to send the bill back to committee. I am not opposed to the program advanced by the President. I did not get my arm twisted nor my leg broken, even though I do use a cane.

#### COMMITTEE ON GOVERNMENT OPERATIONS—PERMISSION TO FILE A REPORT

Mr. MOSS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight Friday to file a report entitled

"Availability of Information From Federal Departments and Agencies—Telephone Monitoring, Second Review."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

#### BOARD OF REGENTS, SMITHSONIAN INSTITUTION

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 722 providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, be filled by the appointment of William A. M. Burden, a citizen of New York, for the statutory term of six years, to succeed Arthur H. Compton, deceased.*

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of Senate Joint Resolution 192, providing for the filling of a vacancy in the class other than Members of Congress, an identical resolution to the one just passed, and for the immediate consideration of the Senate resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, be filled by the appointment of William A. M. Burden, a citizen of New York, for the statutory term of six years, to succeed Arthur H. Compton, deceased.*

The resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House resolution (H.J. Res. 722) were laid on the table.

#### LIBRARY OF CONGRESS TRUST FUND

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3266) to amend section 2 of the act entitled "An act to create a Library of

Congress Trust Fund Board, and for other purposes," approved March 3, 1925, as amended (2 U.S.C. 158), relating to deposits with the Treasurer of the United States of gifts and bequests to the Library of Congress and to raise the statutory limitation provided for in that section.

Mr. GROSS. Mr. Speaker, reserving the right to object, does this bill call for a new board or commission?

Mr. JONES of Missouri. It is not. It is merely an amendment to that act. This, I might say, is a Senate bill approved by the Committee on House Administration unanimously. All it does is to remove the limitation in the present law fixing the maximum deposit with the Treasurer of the United States on bequests at \$5 million. This would increase that limitation to \$10 million to permit them to accept gifts and bequests, which would be deposited in the Treasury of the United States.

Mr. GROSS. This adds no new personnel in Government nor does it provide for pay increases; is that correct?

Mr. JONES of Missouri. No new personnel, no new cost.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to create a Library of Congress Trust Fund Board, and for other purposes," approved March 3, 1925, as amended (2 U.S.C. 158), is further amended by striking out "\$5,000,000" at the end of the section and inserting in lieu thereof "\$10,000,000".*

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

#### AUTHORIZING LOAN OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

Mr. ELLIOTT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 703, and ask for its immediate consideration.

The Clerk read as follows:

*Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12037) to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessels loans now in existence. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.*

Mr. ELLIOTT. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Ohio [Mr. BROWN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 703 provides for the consideration of H.R. 12037, a bill to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessels loans now in existence. The resolution provides for an open rule with 1 hour of general debate.

H.R. 12037 would authorize the extension of the existing loans made under the authority granted by the act of July 11, 1952, as amended August 29, 1957, of two submarines to the Government of the Netherlands. The bill would also authorize the loan of a total of eight vessels of the destroyer and submarine category of the Reserve Fleet to certain friendly foreign countries. The loans to the Government of the Netherlands were for a period of 5 years and will expire early in 1963.

Mr. Speaker, I urge the adoption of House Resolution 703.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Alabama [Mr. ELLIOTT] has just explained, this resolution makes in order consideration of the bill (H.R. 12037) to authorize the loan of naval vessels to friendly foreign countries, and for the extension of certain naval vessel loans now in existence.

This bill was reported unanimously, as I understand it, by the Committee on Armed Services of the House.

This legislation is approximately the same as a number of similar bills that have been enacted by the Congress throughout the years. Most of the vessels that will be loaned are of the type that will soon be obsolete, and are being replaced in our own Navy.

As far as I know, there is no opposition to this rule, and I have no requests for time.

Mr. ELLIOTT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

#### ADDITIONAL AUTHORITY FOR THE TEXAS & PACIFIC RAILWAY CO.

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 700 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11244) to supplement certain provisions of Federal law incorporating the Texas and Pacific Railway Company in order to give certain additional authority to such company. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Inter-*



state and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself as much time as I may consume, pending which I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, this rule makes in order the consideration of H.R. 11244. It is an open rule. It provides for 1 hour of general debate.

The Texas & Pacific Railway Co. was one of five railroads which originally obtained a Federal charter. It is an old charter, and the reading of it makes in doubt whether or not that railroad can make any connection with any other railroad unless it runs in an easterly and westerly direction. This simply amends that charter to give the railroad the same authority enjoyed by other railroads, subject, of course, to Interstate Commerce Commission control. The second section of the bill would allow the Texas & Pacific Railway to increase its capital stock from \$75 million to \$100 million.

Mr. Speaker, as far as I know, there is no opposition to the rule.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Texas.

Mr. PATMAN. Is the purpose of this bill to permit a merger between the Texas & Pacific and any other railroad?

Mr. THORNBERRY. If it is I do not know it.

Mr. PATMAN. Did the hearings disclose anything about that?

Mr. BROOKS of Texas. Mr. Speaker, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Texas.

Mr. BROOKS of Texas. As the author of the bill, I would be pleased to state that the purpose of this legislation was not to facilitate a merger, as the hearings clearly show in the testimony before the committee, and I cite from them. In reply to that direct question, the president of the Texas & Pacific Railway Co. said that the Texas & Pacific has no present plans to acquire other railroads or merge with other railroads. The primary purpose of this legislation is to put them in the same position as other railroads in the United States, this being the only railroad operating under a charter in the United States.

Mr. PATMAN. But, will this make it easier for merger if they desire to merge? In other words, will this expedite a merger in any way?

Mr. BROOKS of Texas. I doubt that that would be particularly helpful, in that 81 percent of the present ownership of the Texas & Pacific is held by the Missouri Pacific, and they already control it. I would think that this legislation would, in effect, give the Texas & Pacific a

better opportunity to preserve its identity as an independent or semi-independent railroad, despite the present major ownership by another organization.

Mr. PATMAN. And there is nothing in this bill that would give aid and comfort to any merger by the Texas & Pacific with the Missouri Pacific or any other railroad?

Mr. BROOKS of Texas. Not specifically. It would give them the same opportunity that other railroads enjoy in their efforts to maintain their identity and their effort to maintain a separate corporate entity.

Mr. PATMAN. It is not the intention of this legislation to make it easier or to permit a merger of any kind?

Mr. BROOKS of Texas. I do not know what the detailed answer to that would be. I would say that the president of the company stated clearly that they had no merger plans and that the sole plan was to enable them to have the same opportunity that other railroads in the United States have to survive. They have no plans to merge, but they hope they can maintain their separate identity.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. With respect to the question asked by the gentleman from Texas [Mr. PATMAN], I understand this bill would simply place the Texas & Pacific Railway on the same footing as other railroads, and in the event of an application for merger it would still be necessary for them to follow the same procedure that any other railroad would have to follow and obtain concurrence and approval of the ICC.

Mr. THORNBERRY. That is correct.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas [Mr. THORNBERRY], a member of the Committee on Rules, has explained this rule very ably. This bill, as I understand it, was reported unanimously by the legislative committee having jurisdiction.

Mr. Speaker, the Texas & Pacific Railroad is one of the few railroads in the country that was chartered by the Government, I believe, first in 1871. Since that time, in almost every action that railroad has taken as far as growth is concerned especially, it has been necessary to amend its charter.

Mr. Speaker, I have read the report rather thoroughly and I want to assure my good friend, the gentleman from Texas [Mr. PATMAN], that neither the Federal Reserve Board nor Billie Sol Estes has had any connection with this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## POSTPONING SEC REPORT TO CONGRESS

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 702, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11670) to postpone by three months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may consume and, following that, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, House Resolution 702 provides for the consideration of H.R. 11670, a bill to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes. The resolution provides for an open rule with 1 hour of general debate.

H.R. 11670 would extend the completion date of the special study of the securities markets which the Congress had directed be made by the Securities and Exchange Commission from January 3, 1963, until April 3, 1963, and authorizes an additional \$200,000 for the 65 positions of the special study to operate as a unit until the latter date. Approval of this proposal would increase the total amount authorized for the study from \$750,000 to \$950,000.

Mr. Speaker, I urge the adoption of House Resolution 702.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas [Mr. THORNBERRY] has explained this rule very thoroughly and very clearly. The Committee on Interstate and Foreign Commerce brought this measure before the Committee on Rules, and did so by unanimous vote. It explained to the satisfaction of the members of the Rules Committee that the extension of time for the completion of this study by the Security and Exchange Commission was necessary.

Mr. Speaker, I know of no objection of any kind to the rule, and yield back the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### AUTHORIZING LOAN OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

Mr. BENNETT of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12037) to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12037, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BENNETT of Florida. Mr. Chairman, I yield myself such time as I require.

Mr. Chairman, this bill would authorize the extension of the loan of two submarines to the Government of the Netherlands and would authorize the loan of eight other ships, submarines and destroyers to other friendly foreign nations.

The whole program of loans of ships to friendly foreign nations is a continuing one and one with a definite design.

The establishment of military bases in foreign countries is first and above all a matter of self-interest to the United States. We know we do not have a base on the island of Okinawa just to protect Okinawans. The base is there primarily to protect the United States and the people of the United States.

So it is with the loaning of ships to foreign nations. Each of these ships is lent with a specific purpose in mind. And for the most part, this purpose is that of providing a capability in anti-submarine warfare.

During the hearings before the full committee, a witness was asked whether if these ships were not lent to the friendly foreign nations, would the United States have to post its own ships and its own crews in those areas.

The witness answered in this fashion: He said:

There would have to be ships in these areas, but—

He said—

the U.S. Navy would simply not be capable of doing the job itself.

So, to repeat, we are serving our own military self-interest when we lend these ships. Any benefit of a defensive nature which accrues to the particular for-

eign nations is a valuable one, but it is a collateral one.

With respect to the expense involved, and this bill will involve something in the order of \$30 million, I will say that it would cost many times that amount for us to do the job ourselves.

As has been true with respect to all of the previous ship loan bills, provision is made that the loans be for a period of not more than 5 years and are on the very definite condition that the loan may be terminated at an earlier date if the defense requirements of the United States require this at the present time.

I think it is important to note also that section 7 of the bill requires that any loan or extension of a loan be made only after the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that the loan or extension is in the best interests of the United States. Even then the Secretary must keep the Congress advised of any loans or extensions which are made.

The extension of the submarine loan to the Netherlands is set out specifically in the bill itself. The other countries involved are Greece and Spain in the European area and Chile, Columbia, Peru, and Venezuela in the Latin American area.

All of these countries have a proven capability to man and operate these ships and their very geographic locations indicate how important it is to have on-station ships of the submarine and destroyer types.

Let me repeat that the great benefit to be derived from these loans is one which is received by our own country. There must be ships in these areas and since most of the countries have little or no capability for building such ships, they must come from somewhere else. As the leader of the free world and as the nation with the greatest number of ships available, we are the logical source for them.

Mr. HALL. Mr. Chairman, I yield myself such time as I may require, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HALL. Mr. Chairman, the specifics of the bill have been well covered already and I will not, therefore, repeat any of this information.

I will, however, draw the attention of the House to the hearings on the bill which bring out a number of collateral matters which I think might be of considerable importance to the membership of the House. For example, on page 5331 is a list of the 65 ships which are currently on loan.

You will note that some of the countries which are the recipients of ships under this bill already are in possession of other ships previously lent to them.

For example, Chile, which I had the privilege of visiting last December, which would get two more destroyers under this bill, already has two of our submarines and two of our destroyers. I might interpolate at this point that they have a cruiser which they have obtained from another sovereign nation.

Columbia would get one destroyer under this bill and it already has one destroyer from us; Greece would get two destroyers under this bill and it already has two submarines and four destroyers; Peru would get one destroyer and already has two destroyers; and Spain would get one submarine and it already has one submarine and five destroyers.

Another matter which would be of interest, I think, is where did the South American countries who would be the recipients of ships under this bill stand at the meeting at Punta del Este?

I am happy to say that Peru, Venezuela, and Colombia have been with us all the way with respect to Cuba and were with us at the meeting at Punta del Este.

In the case of Chile, Chile did vote against us but only on the technical ground that it felt that the expulsion of Cuba was outside of the charter of the OAS. After the vote, however, Chile supported us all the way and has proved itself to be our great friend.

In fact, I visited with the Minister of War in Chile and the commander in chief of the armed forces. I think I can assure the membership they will continue in this manner.

Another thing which I think would be of interest to Members of the House is how the determination is made that these ships are required and can be used by the foreign countries.

This is generally the procedure. The need for the ships is developed by the country team involved. They then get the approval of the unified commanders and the representatives of the Defense Department and the State Department in the military assistance plans and programs groups. The plans are also reviewed by the Joint Chiefs of Staff and all of the Navy's views are incorporated in the material furnished the Joint Chiefs.

You will note in the report and letter from the Secretary of the Navy to the Speaker that the review goes into the question as to whether the country can use these ships in proper fashion; that is to say, whether they have the manpower available, the training facilities, and will their defense budgets permit them to operate the ships, and all of that sort of background.

As we all know, and as has been said, this bill is one of a long series of ship loan bills. They represent a sound expression of our own national self-interest and are effective instruments for maintaining the peace.

I urge, as did the full Armed Services Committee the support of the House for this bill.

Mr. BENNETT of Florida. Mr. Chairman, we have no further requests for time.

Mr. HALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I should like to ask the gentleman in charge of the bill a question or two concerning it. I believe the gentleman said that we are the suppliers of ships to countries that do not have the capability for building warships; at least some of them do not



have that capability. But after all, this is costing us a great deal of money. This bill provides money or it will cost, out of some fund, approximately \$30 million, if I understand the situation correctly.

Mr. BENNETT of Florida. The gentleman is correct. It will cost approximately \$30 million of which \$3 million will be paid by Venezuela.

Mr. GROSS. We will get \$3 million from Venezuela for reconditioning the ships it obtains on loan?

Mr. BENNETT of Florida. Venezuela is in very good financial condition and can pay for refurbishing these things and getting them in combat condition. The other nations would look to the U.S. Treasury through the foreign aid program to get these ships and have them put in proper condition.

Mr. GROSS. The question is: Will these ships be reconditioned in American yards?

Mr. BENNETT of Florida. Yes; that will be done in American yards.

Mr. GROSS. It is not contained in the report or in the bill; is it?

Mr. BENNETT of Florida. It is backed up in the testimony on the bill and it will be a part of the record that this work will be done only in American yards.

Mr. GROSS. What has been the experience with reference to other loans of warships? Have we recovered any ships that we have loaned?

Mr. BENNETT of Florida. We have recovered one ship from France, the *Belleau Wood*. This ship was not in very good condition when it was returned to us. It is the only ship that has been returned.

Mr. GROSS. That is the question I wanted to ask. In what condition are these warships when they come back to us?

Mr. BENNETT of Florida. The wear and tear on these ships, of course, is considerable and if a ship is kept for a considerable length of time, it naturally can be expected that it will not be in very good condition when it is returned. So, only one of the 65 ships so far has been returned. I might point out to the gentleman that if we had any difficulty anywhere in the world, it would certainly be much more to our advantage to have these American ships ready for immediate use by ourselves or by an ally than it would to have the ships in mothball condition where it would take a long time to put the ships in combat condition. This way they are immediately ready when they are needed.

Mr. GROSS. Of course, if the *Belleau Wood* came back to us in poor condition, it would not be ready for service in an immediate emergency; would it?

Mr. BENNETT of Florida. That is correct. However, it was being usefully employed during the time that France had it and had we been using it ourselves during that time it probably would have been about worn out within the same period.

Mr. GROSS. France has the shipbuilding capability to build and recondition warships.

Mr. BENNETT of Florida. That is one reason why there is no ship for France in this bill. At the time they got

that particular vessel, they did not have the time to build one quickly enough. But that is past history now and this bill does not involve giving any ship to France.

Mr. GROSS. Should they not return these ships to us in serviceable condition?

Mr. BENNETT of Florida. Well, the recipient countries are under obligation to return them in the same condition as when loaned, except for fair wear and tear. The wear and tear on a ship the age of the *Belleau Wood*, almost obsolescent, at that time, was such that it was not a very useful ship when it was returned.

Mr. GROSS. Let me ask one final question. When these ships are loaned; is it necessary that we then go out and build new ships to replace them?

Mr. BENNETT of Florida. The answer is "No." It is not necessary because of this program to launch a program or increase the present program to build new ships. I am glad the gentleman brought this particular question up. The Navy has to see to it that we have modern ships, capable of fighting in the environment of a modern war. Therefore we have to have a continuing shipbuilding program which, I must very regretfully tell you, today is not what it should be. We ought today to be building ships in much greater numbers than we are.

We do have a program for building some ships, but it is a relatively small program. It should be enlarged. When we get rid of the farm program and other programs and get down to essentials in this country, possibly we can go ahead with part of this needed ship program.

Mr. GROSS. I hope this loan program is not being used as an excuse to embark upon the building of new warships.

Mr. BENNETT of Florida. On the basis of the hearings this year, I can assure the gentleman that there is no thought that the removal of these ships from our inventory is any basis for the construction of new Navy ships. As I said, we are not doing enough now in the way of building new ships. I think the program should be stepped up, but the removal of these ships has no bearing on that matter.

Mr. GROSS. I appreciate having the gentleman's information on the record and the assurance that he has given the House.

Mr. BENNETT of Florida. I thank the gentleman for his question.

Mr. Chairman, I ask that the bill be read, to be open for amendment at any point.

Mr. HALL. Mr. Chairman, I have no further requests for time.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 7307 of title 10, United States Code, or any other law, the President may extend the loans of two submarines to the Government of the Netherlands on such terms and under such conditions as he deems are appropriate.*

Sec. 2. The extensions of the existing loans authorized under this Act are extensions of

the loans made under the authority granted by the Act of July 11, 1952 (66 Stat. 587), as amended by the Act of August 29, 1957 (71 Stat. 495).

SEC. 3. Extensions of existing loans shall be for a period of not to exceed five years and shall be made on the condition that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

SEC. 4. Notwithstanding section 7307 of title 10, United States Code, or any other law, the President may under conditions which he prescribes lend or otherwise make available to friendly foreign nations from the Reserve Fleet, on such terms and under such conditions as he deems appropriate, destroyers, and submarines as follows: (1) North Atlantic Treaty Organization and European area not to exceed three ships; and (2) Latin America not to exceed five ships.

SEC. 5. New loans executed under this Act shall be for periods not exceeding five years. All loans shall be made on the condition that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

SEC. 6. All expenses involved in the activation, rehabilitation, and outfitting, including repairs, alterations, and logistic support of vessels transferred under this Act, shall be charged to funds programmed for the recipient government under the Foreign Assistance Act of 1961, as amended, or successor legislation, or to funds provided by the recipient government.

SEC. 7. No loan may be made or extended under this Act unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such loan or extension is in the best interest of the United States. The Secretary of Defense shall keep the Congress currently advised of all loans or extensions made under authority of this Act.

SEC. 8. The President may promulgate such rules and regulations as he deems necessary to carry out the provisions of this Act.

SEC. 9. The authority of the President to transfer naval vessels under this Act terminates on December 31, 1964.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose, and the Speaker pro tempore having resumed the chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12037) to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence, pursuant to House Resolution 703, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### WATER CARRIER THROUGH ROUTES AND JOINT RATES

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 701 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee*

of the Whole House on the State of the Union for the consideration of the bill (H.R. 11643) to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommitt.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes of my time to the gentlewoman from New York [Mrs. ST. GEORGE], and pending that I yield myself such time as I may require.

Mr. Speaker, House Resolution 701 provides for the consideration of H.R. 11643, a bill to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates. The resolution provides for an open rule with 1 hour of general debate.

The statehood acts relating to both Alaska and Hawaii retained jurisdiction over water transportation between Alaska, Hawaii, and the other States in the Federal Maritime Commission. The Interstate Commerce Commission has taken the position that, in the absence of statutory authority, carriers subject to the Commission's jurisdiction cannot enter into through routes and joint rates with those subject to the Maritime Commission jurisdiction.

The purpose of H.R. 11643 is merely to clarify the Interstate Commerce Act so that the users of motor-water services between Alaska or Hawaii and the other 48 States may have the same benefits of through routes and joint rates which are enjoyed by users of motor-water services among the other 48 States, and by users of rail-water services or of any combination of service with air services among all of the 50 States.

Mr. Speaker, I urge the adoption of House Resolution 701.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order the consideration of the bill H.R. 11643, which has been well explained by my colleague from Texas [Mr. THORNBERRY].

The purpose of the legislation is amply stated in a paragraph which is in the report that I shall now read:

The purpose of this bill is exceedingly simple; it is merely to clarify the Interstate Commerce Act so that the users of motor-water services between Alaska or Hawaii and the other 48 States may have the same benefits of through routes and joint rates which are enjoyed by users of motor-water services among the other 48 States, and by users of rail-water services or of any combination of service with air services among all of the 50 States.

In other words, Mr. Speaker, this legislation is made necessary by the fact

that Alaska is now one of the 50 States in our Union.

I can see no objection to this rule, and I have no further requests for time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

#### ADDITIONAL AUTHORITY FOR THE TEXAS & PACIFIC RAILWAY CO.

Mr. WILLIAMS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11244) to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11244, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WILLIAMS. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, this bill comes to the House by unanimous vote of the Committee on Interstate and Foreign Commerce.

This bill deals exclusively with the rights of one railroad, the Texas & Pacific Railway Co., which is the only congressionally chartered railroad operating in the United States under its original charter, so I am informed.

Under the original charter of the Texas & Pacific Railway Co., it was given authority to merge only with railroads going in the same general direction. This bill would authorize them, with the approval of the Interstate Commerce Commission, to merge with or acquire other railroads should they have the desire to do so and meet the necessary requirements. Also it would increase the capital stock from \$75 million to \$100 million.

Mr. Chairman, I know of no opposition to the bill.

I yield such time as he may desire to the author of the bill, the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS of Texas. Mr. Chairman, I would add to the fine discussion by the gentleman from Mississippi, that the bill provides for an increase in authorized capital stock from \$75 million to \$100 million, the last change having been authorized by congressional action in 1923. The company has, of course, increased in size since then. This would give them the flexibility they need for their corporate structure. On the question of merger, the president of the company testified before the Committee on Interstate and Foreign Commerce and so stated to me that the company has no merger plans in mind at all at this time. They merely want to be on the same footing with other railroad companies throughout the United States in order that they might have a better opportu-

nity to preserve their entity as a corporate operating railroad.

Mr. SPRINGER. Mr. Chairman, in the hearings before the committee there was no opposition to this bill. There may be a question in the minds of those on the floor as to why the Texas & Pacific Railway Co. should come to this Congress for an amendment to its charter. It is the only major railway in the country which is still operating under a Federal charter, and that is the reason for this legislation.

May I say, in addition, to my good friend from Iowa, no money is involved in this and no cost is involved as far as the Federal Government is concerned.

Mr. GROSS. I want to thank my economy-minded friend from Illinois for that assurance.

Mr. SPRINGER. We did hear this rather carefully, and I think all of the points with reference to the legislation were carefully brought out before the committee. In view of the fact that there was no opposition to it and that the merits are with the legislation, I believe that it should be passed.

Mr. Chairman, we have no further requests for time.

Mr. WILLIAMS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in addition to the powers conferred by the Act entitled "An Act to incorporate the Texas Pacific Railroad Company and to aid in the construction of its road, and for other purposes", approved March 3, 1871 (16 Stat. 573), as supplemented by the Act of May 2, 1872 (17 Stat. 59), the Act of March 3, 1873 (17 Stat. 598), the Act of June 22, 1874 (18 Stat. 197), and the Act of February 9, 1923 (42 Stat. 1223), Texas and Pacific Railway Company shall have the right and authority, subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto, to acquire securities or stock of, or property from, any other carrier.*

Sec. 2. The capital stock of the Texas and Pacific Railway Company, heretofore fixed by its board of directors pursuant to the provisions of the Act of February 9, 1923, at \$75,000,000 may be increased at any time in such amounts as do not result in more than \$100,000,000 of such company's capital stock outstanding and as are agreed to by resolution of its board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of said stockholders called for the purpose upon such notice as such bylaws require. The provisions of the Act of February 9, 1923, with respect to the additional capital stock authorized by such Act (except with respect to the aggregate amount thereof), shall be applicable to the additional capital stock authorized by this Act and, in addition thereto, the par value of the capital stock of said company and the number of shares thereof shall, subject to the limitations of this Act, be in such amount as may be determined from time to time by resolution of such company's board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of



said stockholders called for the purpose upon such notice as such bylaws require.

Sec. 3. All power and authority granted to the Texas and Pacific Railway Company by this Act, the Act incorporating such company, and Acts supplemental thereto, shall be subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto.

With the following committee amendments:

On page 1, line 10; on page 2, line 5; and on page 3, line 5, strike out "the" and insert "The".

On page 2, line 17, strike out "additionad" and insert "additional".

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore having assumed the Chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11244) to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company, pursuant to House Resolution 700, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the bill (S. 3025) to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company, a similar bill to that which has just passed the House, and I ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in addition to the powers conferred by the Act entitled "An Act to incorporate the Texas Pacific Railroad Company and to aid in the construction of its road, and for other purposes", approved March 3, 1871 (16 Stat. 573), as supplemented by the Act of May 2, 1872 (17 Stat. 59), the Act of March 3, 1873 (17 Stat. 598), the Act of June 22, 1874 (18 Stat. 197), and the Act of February 9, 1923 (42*

*Stat. 1223), the Texas and Pacific Railway Company shall have the right and authority, subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto, to acquire securities or stock of, or property from, any other carrier.*

Sec. 2. The capital stock of the Texas and Pacific Railway Company, heretofore fixed by its board of directors pursuant to the provisions of the Act of February 9, 1923, at \$75,000,000, may be increased at any time in such amounts as do not result in more than \$100,000,000 of such company's capital stock outstanding and as are agreed to by resolution of its board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of said stockholders called for the purpose upon such notice as such bylaws require. The provisions of the Act of February 9, 1923, with respect to the additional capital stock authorized by such Act (except with respect to the aggregate amount thereof), shall be applicable to the additional capital stock authorized by this Act and, in addition thereto, the par value of the capital stock of said company and the number of shares thereof shall, subject to the limitations of this Act, be in such amount as may be determined from time to time by resolution of such company's board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of said stockholders called for the purpose upon such notice as such bylaws require.

Sec. 3. All power and authority granted to the Texas and Pacific Railway Company by this Act, the Act incorporating such company, and Acts supplemental thereto, shall be subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto.

Mr. WILLIAMS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: Strike out all after the enacting clause of S. 3025 and insert the provisions of H.R. 11244, as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 11244) was laid on the table.

#### POSTPONING SEC REPORT TO CONGRESS

Mr. MACK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11670) to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the con-

sideration of the bill H.R. 11670, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MACK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, approximately a year ago, on June 1, to be exact, I introduced a resolution to authorize an appropriation of \$750,000 for the Securities and Exchange Commission to conduct a study and investigation of our securities markets.

My resolution was approved by the Congress on August 25 and was signed by the President on September 5, 1961. Funds to carry out the purpose of this resolution were not appropriated until September 30 and consequently the Commission required until late October to early November to staff and organize this special unit. Furthermore, additional time was consumed in preliminary analyses before the study was actually underway. At the time I introduced this resolution the Commission could not definitely report to us on the exact time required. Early this spring the Commission informed me that an extension would be necessary for them to complete the factfinding phase of the inquiry. The time and manpower needed to complete an analysis and report on all the suggestions which the Commission considers basic and vital—and which must be studied to satisfy the congressional intent—became apparent only after numerous preliminary inquiries. These inquiries pointedly demonstrated the breadth and complexity of the undertaking and further led the Commission to the conclusion that, without an additional authorization, it would have to exclude consideration of certain fundamental areas from the scope of the study.

The Commission found that many of the problems in this industry are interrelated and that they could not be considered as special and distinct topics. In many cases they are so intertwined with other topics that any attempt at separation would be artificial and might well lead to arbitrary conclusions. The Commission believes with me that the importance of the study to the investing public requires its complete execution which can only be effected pursuant to an extension of the study. There has occurred a dramatic increase in the securities market particularly among persons having a slight interest with the intricacies of corporate finance and stock market operations.

The study, only 6 months old, has demonstrated its importance in value. It has stimulated a number of significant values in the form of rulechanging and disciplinary actions. Since the hearings were held on my resolutions and the study investigation was initiated there have been a number of significant developments which have helped to create a more salutary effect in the securities business. The industry has indicated that it is aware of the importance of putting its own house in order. The American Stock Exchange is undergoing a thorough reorganization.

Some regional exchanges have tightened their listing requirements and others are revamping their supervision and control. The New York Stock Exchange has recently adopted a rule which requires a specialist on that exchange to report all transactions made by their customers in stock in which the specialist is registered. In the over-the-counter market the National Association of Securities Dealers has stepped up its disciplinary action involving violations of its rules by members. The "hot issue" phenomenon has very noticeably cooled off since this investigation was undertaken.

Mr. Chairman, I am fully cognizant of the recent developments in the stock market. I could not appear here today without taking note of the fact that we have had unusual activities in the stock markets with the market hitting a new low yesterday. I think it is particularly unfortunate for the investors who suffered financial losses or at least paper losses in the recent decline. Like everyone I did not welcome the decline in the stock prices. I also agree that these prices were unreasonably high only a few months ago. I said on May 28, which is commonly referred to as "black Monday," that American business is still an excellent investment and that securities, especially common stocks, would be a good long-term investment.

I felt then as I feel now that it will take the markets sometime to establish their proper level. I express these views because our securities laws were not written or intended as an escalator clause in our securities markets but rather to protect the interest of an investor so that he is not victimized by fraud or deceptive acts.

Mr. Chairman, as a result of the enactment of my resolution last year the Securities and Exchange Commission has initiated one of the broadest and most penetrating investigations of the securities business since the early thirties. While we did not design it this way our investigators have been on the scene at the exchanges during the unusual activity of the last several weeks. They have gathered information which will be of immeasurable value to the Securities and Exchange Commission and to my committee. I feel that they are doing an excellent job and should be given adequate time and money to complete this investigation. For these reasons, Mr. Chairman, I strongly support this resolution and hope that the Congress will give it unanimous approval.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MACK. I am glad to yield to my good friend from Iowa.

Mr. GROSS. The gentleman says that there have been a good many developments in the securities industry, and that is certainly an accurate statement. We have had a considerable number of developments, some not so good, in the securities markets, the stock and bond market, for instance. But I want to ask the gentleman this question. Why the \$200,000 increase?

Mr. MACK. I want to say first that if there is anyone who is aware of the

situation on Wall Street and recent developments there, the gentleman from Illinois is certainly that person. I would say further that I am personally thoroughly convinced that this investigation ought to be continued, and that it should be continued at an accelerated pace in light of recent developments in the securities industry.

Mr. GROSS. The point is that the gentleman obtained an appropriation last year of \$750,000. Now he is in asking for \$200,000 more.

Mr. MACK. Yes. The gentleman was good enough to express his interest in this matter last year when we had the original resolution under consideration. I told him at that time that I wanted a thorough investigation and I wanted whatever amount of money was necessary to make this thorough study and investigation. I said at that time—I am sure the gentleman will find it in the RECORD—that I felt that \$750,000 was the absolute minimum and that I thought it would take \$1 million. It has required a greater expenditure than the Congress anticipated at that time. The figure is still under \$1 million but it is very close to the amount that I estimated it would cost at that time.

Mr. GROSS. Yes, it is \$50,000 under the \$1 million figure.

Mr. MACK. I am sure that the gentleman remembers our colloquy on the subject at that time and that I did indicate it would take approximately \$1 million.

Mr. GROSS. I am sorry I do not remember it, but let me ask the gentleman this question. Is the investigation going to be completed with the \$950,000 or will it require more money?

Mr. MACK. No. I have the assurance that it will be completed. I want to be frank with the gentleman from Iowa today as I was a year ago and I want to say at this time that it is my best judgment that this investigation can be completed with the extension of 3 months and with the increase of the \$200,000. We will have approximately 18 months for the investigation and we will have approximately the amount of money I suggested originally. I have the assurance furthermore of the director of the investigation and the chairman of the Securities and Exchange Commission that they can secure the information that we desire with this amount of money and in this time.

Mr. GROSS. I hope that is true, and I thank the gentleman for yielding to me.

Mr. SPRINGER. Mr. Chairman, I think one thing that should be brought to the attention of the House at this time is the delay in getting the investigation underway, which was not the fault of anyone, as far as I can see at this time. I am not a member of this subcommittee, but I do know some of the facts.

Taking the chronological order in which this occurred, the resolution was introduced in the first part of June 1961. It was not until the latter part of August that the Congress passed it, and the President signed it early in September. However, it took them almost 6 weeks to get the staff hired and on the

job with sufficient space to start to work. That meant that really hardly anything was done until the 1st of December 1961. If they had been able to start this in the middle of the summer of 1961 they probably would have been finished with it by now. This delay was not the fault of anybody, but there has been a delay, and I think a continuance of this investigation for 3 months would be in the public interest.

Second, I believe some constructive things have come from the investigation. Thus far, some of it has received the approval of the president of the stock exchange. Some corrective measures have been taken in the cases of people who dealt illegally in stocks, and the Department of Justice has investigated them.

In view of all this, I think the continuance of this investigation for another 90 days is in order. For that reason, I believe the legislation should be passed.

Mr. MACK. Mr. Chairman, I have no further requests for time.

Mr. SPRINGER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of subsection (d) of section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s(d)) is amended by striking out "January 3, 1963" and inserting "April 3, 1963" in lieu thereof. The last sentence of such subsection is amended by striking out "\$750,000" and inserting "\$950,000" in lieu thereof.*

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11670) to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes, pursuant to House Resolution 702, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

#### WATER CARRIER THROUGH ROUTES AND JOINT RATES

Mr. WILLIAMS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11643) to amend sec-



tions 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates.

### CALL OF THE HOUSE

Mrs. CHURCH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. MACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 125]

Abbott	Fountain	Miller, N.Y.
Addabbo	Frelinghuysen	Moeller
Addonizio	Friedel	Monagan
Alexander	Garland	Moore
Alford	Garmatz	Morrison
Alger	Gavin	Mosher
Andersen,	Gilbert	Moulder
Minn.	Glenn	Multer
Anfuso	Gonzalez	Nedzi
Arends	Grant	Nix
Ayres	Green, Oreg.	Norrell
Bailey	Griffiths	O'Hara, Mich.
Baring	Gubser	Philbin
Barrett	Hansen	Pike
Bass, Tenn.	Harding	Pilcher
Bates	Hardy	Poff
Battin	Harris	Powell
Beermann	Harrison, Va.	Reuss
Belcher	Hays	Riley
Berry	Healey	Rivers, S.C.
Blitch	Hemphill	Rodino
Boggs	Hoffman, Mich.	Roosevelt
Bonner	Horan	Rosenthal
Bow	Hosmer	Roush
Boykin	Hull	Ryan, Mich.
Brewster	Inouye	St. Germain
Buckley	Jarman	Santangelo
Carey	Joelson	Saund
Celler	Johnson, Wis.	Saylor
Chamberlain	Kastenmeier	Scherer
Chiperfield	Kearns	Scranton
Curtis, Mass.	Kee	Seely-Brown
Daniels	Kelly	Shelley
Davis,	Keogh	Sheppard
James C.	Kilburn	Siler
Davis, Tenn.	King, Calif.	Slack
Dent	King, Utah	Smith, Calif.
Denton	Kirwan	Smith, Miss.
Diggs	Kluczyński	Spence
Dingell	Kowalski	Stratton
Dole	Kyl	Stubblefield
Donnick	Landrum	Thompson, N.J.
Donohue	Lankford	Tuck
Dooley	Lipscomb	Udall, Morris K.
Downing	Loser	Van Zandt
Dulski	McCulloch	Westland
Fallon	Macdonald	Whitener
Farbstein	Madden	Wilson, Ind.
Feighan	Martin, Mass.	Winstead
Fino	Mathias	Yates
Flood	May	Younger
Flynt	Meador	Zablocki
Fogarty	Michel	Zelenko

The SPEAKER pro tempore. On this rollcall, 277 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed the following resolution:

S. RES. 352

*Resolved*, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. FRANCIS CASE, late a Senator from the State of South Dakota.

*Resolved*, That a committee of Senators be appointed by the President of the Senate to attend the funeral of the deceased.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased the Senate do now adjourn until 10 o'clock antemeridian tomorrow.

### WATER CARRIER THROUGH ROUTES AND JOINT RATES

The SPEAKER pro tempore. The question is on the motion of the gentleman from Mississippi [Mr. WILLIAMS].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11643, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WILLIAMS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill comes to the House by a unanimous vote of the Committee on Interstate and Foreign Commerce. So far as I know there is no opposition to the bill. It was wholly noncontroversial in the committee, and I presume will be noncontroversial here.

The purpose of the bill is to correct a problem which arose from the admission of Alaska and Hawaii to statehood with respect to authority for filing through routes and joint rates to the new States of Alaska and Hawaii. There is presently clearly statutory authority for the filing of through routes and joint rates between air and surface carriers, between rail and water carriers, between rail and motor carriers. However, the Interstate Commerce Commission has ruled that they do not have authority to establish through routes and joint rates where there is a combination of motor and water carriage, or between motor and water carriers.

The purpose of this bill is to give the Interstate Commerce Commission authority to establish these joint rates and through routes.

#### BACKGROUND AND NEED FOR LEGISLATION

The Statehood Acts relating to both Alaska and Hawaii retained jurisdiction over water transportation between Alaska, Hawaii, and the other States in the Federal Maritime Commission. The Interstate Commerce Commission has taken the position that in the absence of statutory authority, carriers subject to the Commission's jurisdiction cannot enter into through routes and joint rates with those subject to the Maritime Commission jurisdiction.

At present, statutory authority clearly exists for through routes and joint rates as to the following combinations of rail, motor, and water carriers subject to the jurisdiction of the Interstate Commerce Commission, air carriers subject to the Civil Aeronautics Board, and water carriers subject to the Federal Maritime Commission:

Air and all other carriers: Federal Aviation Act, section 1003.

Rail and ICC water: Interstate Commerce Act, section 1(4), 305(b).

Rail and FMC water: Interstate Commerce Act, section 1(1)(a).

Rail and motor: Interstate Commerce Act, section 216(c).

Motor and ICC water: Interstate Commerce Act, section 216(c).

This leaves two combinations not covered; namely, ICC motor and FMC water, and ICC water and FMC water.

Section 216(c) of the Interstate Commerce Act authorizes through routes and joint rates by motor carriers and water carriers. The Interstate Commerce Commission has been consistent in construing the section to mean only water carriers subject to its jurisdiction under part III. This, of course, is an impossible construction because part III was not enacted until 1940, whereas section 216(c) of part II covering motor common carriers was enacted in 1935.

H.R. 11643 would make it crystal clear that section 216(c) authorizes motor carriers to establish through routes and joint rates with water carriers to Alaska and to Hawaii, whether such water carriers are subject to the Interstate Commerce Act or to the Shipping Acts. It also collaterally would similarly authorize water carriers under the Interstate Commerce Act to establish such routes and rates with water carriers under the Shipping Acts.

There is an undeniable need for legislation if shippers in the Alaskan or Hawaiian trade are to enjoy the benefits of single factor through rates on traffic moving by motor and water or by a combination of water services.

Upon the advent of Alaska statehood in 1959, motor carrier transportation in interstate commerce in Alaska became subject to regulation by the Interstate Commerce Commission but water carriage between ports in the contiguous 48 States and ports in Alaska continued to be regulated by the Federal Maritime Board. Consolidated Freightways, as a motor carrier, in order to clarify the issues raised by statehood, attempted to file a joint tariff between itself and a regulated water carrier, only to have both the Interstate Commerce Commission and the Federal Maritime Board reject same on the ground that neither regulatory agency has jurisdiction over the entire movement and thus, as a matter of law, neither could accept the tariff. The result of this rejection has been that any transportation of freight to the new States of Alaska and Hawaii which required in part movement by a regulated water carrier could not be afforded the economy of a joint rate.

The availability of such through routes and joint rates would enable a shipper to make one contract with the originating carrier on behalf of all carriers participating in the arrangement. In addition, the shipper could ascertain the rate for such through movement by consulting a single tariff instead of many, as may be necessary at present. Both shipper and consignee would have the advantages given by section 20(11) and similar provisions in other parts of the Interstate Commerce Act of recovering from either the originating or delivering

carrier for loss or damage caused by any carrier participating in the through movement. Finally, experience has shown that, because of the economy of established channels of commerce through which substantial traffic may flow, and reduced freight rate calculation costs, joint rates are generally lower than a combination of local rates of connecting carriers not participating in through service arrangements.

During the 86th Congress the committee had occasion to take up a number of legislative proposals having to do with the meshing into existing statutes relating to transportation certain areas in the field of transportation regulation occasioned by the Alaska and Hawaii Statehood Acts. At that time among other things the committee had occasion to take up the through route and joint rate proposal which is accompanying it and encompassed in the instant legislation, both in hearings here as well as jointly with the Senate committee in Alaska.

At that time it was proposed to treat of this problem not by curing it through putting the Alaskan and Hawaiian motor and water shippers and receivers on the same footing as Alaskan and Hawaiian rail and air shippers and receivers and all shippers and receivers in the other 48 States, but by creating a brandnew joint board which would handle all such matters among all 50 States. The Department of Commerce and the Federal Maritime Commission again now urges this same treatment, which, of course, would enable the Maritime Commission as a participant in the joint board to have a voice in the very exceedingly broad field in which it is not now a participant. It has seemed to the committee that the creation of a new structure resulting in new treatment of some 99 percent of our interstate transportation in order to reach less than 1 percent—though very significant as far as the two States involved—concerned in this problem is a confounding solution to an already confused picture.

H.R. 11643 treats of the problem in a direct, feasible, and simple manner by giving the Interstate Commerce Commission the same jurisdiction over through-route and joint-rate arrangements between motor and water carriers which it has had for many years between rail and water carriers in the Alaskan and Hawaiian trade and has today over arrangements between rail, motor, and water carriers in the 48 States.

The committee urges the adoption by the House of this practical solution to the demonstrated need of Alaskans and Hawaiians to an answer to their problem.

I yield at this time, Mr. Chairman, to the author of the bill, the gentleman from Alaska [Mr. RIVERS], as much time as he may require.

Mr. RIVERS of Alaska. Mr. Chairman, may I first record my deep appreciation of the fine cooperation extended to me by the gentleman from Arkansas [Mr. HARRIS], chairman of the Committee on Interstate and Foreign Commerce, and the gentleman from Mississippi [Mr. WILLIAMS], chairman of the subcommittee which held hearings on

this legislation. My thanks also go to the other members of the Committee on Interstate and Foreign Commerce for their favorable consideration of this legislation.

Mr. Chairman, this is a simple bill designed to solve an exceptional problem pertaining to transportation to, from, and within Alaska or Hawaii. One feature which makes it easy to consider is the fact that it will cost the Government practically nothing. Throughout the years, the Alaska waterborne trade has been under the jurisdiction of the Federal Maritime Board until recently put under the Federal Maritime Commission, whereas other coastwise shipping is under the ratemaking and regulatory authority of the ICC, and railroads and truck lines are also under the ICC. By virtue of the general rule carried out under existing law, common carriers subject to the jurisdiction of different Federal regulatory agencies, respectively, may not, in the absence of specific statutory authority, establish through routes and joint rates with each other. Without spelling out all the details, the bill before us would provide the required statutory authority for all the types of carriers I have mentioned to voluntarily establish through routes and joint rates with each other, subject to the approval of the ICC. This bill does not detract from the authority presently exercised by the Federal Maritime Commission over the Alaska waterborne carriers. It merely enables all surface carriers involved in the transportation of cargo to Alaska from points of origin in the 48 States to enter into the through route and joint rate agreements I have mentioned, and only to the extent that through routes and joint rates are involved would the ICC attain any jurisdiction over the vessels plying in the Alaskan trade.

A clear and succinct summary of what this legislation would accomplish is ably set forth by Senator WARREN MAGNUSON in volume 107, part 6, pages 7763-7764 of the CONGRESSIONAL RECORD, from which I quote as follows:

The establishment of such through routes and joint rates would permit a shipper to make one contract with the originating carrier on behalf of all carriers participating in the arrangement and would enable him to ascertain the rate for such through movement by consulting a single tariff instead of many as may be necessary at present. The shipper and consignee would also have the advantages given by section 20 (11) and similar provisions in other parts of the Interstate Commerce Act by recovering from either the originating or delivering carrier for loss or damage caused by any carrier participating in the through movement. In addition, experience has shown that because of the economy of established channels of commerce through which substantial traffic may flow, and because of reduced accounting and freight rate calculation costs, joint rates are generally lower than a combination of local rates of connecting carriers not participating in through service arrangements.

Incidentally, Senator MAGNUSON uttered the above remarks in connection with his introduction of a Senate bill basically like the House bill which is now before us.

Mr. Chairman, Alaskans, who bring in over 90 percent of everything they consume, have long complained of the high freight rates incident to the long haul from points all over the United States through the port of Seattle, Wash., to Alaska, and high rates within Alaska, and other difficulties incident to their transportation problems including high handling costs, and would welcome passage of a measure such as the bills before us. The business community advocates this legislation as a means of expediting the movement of goods in transit bound for Alaska with incidental reduction of the cost price landed, and the consumers of Alaska would welcome such reduction in consumer prices as might result. I have every confidence that this bill will meet with the approval of the Committee of the Whole House and of the House itself.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of Alaska. I yield to the gentleman from Washington.

Mr. PELLY. I would like to join with the gentleman in support of this legislation. Representing, as I do, the port of Seattle, I would say that the people in my district are in full support of this legislation. We believe it will be of benefit not only to the State of Alaska and the consumers in Alaska but also the Federal Government itself, which is a substantial shipper and will benefit by this legislation.

Mr. RIVERS of Alaska. I thank the gentleman and I subscribe to everything he has said.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of Alaska. I yield to the gentleman from Texas.

Mr. POAGE. It seems to me this is a highly desirable bill, but frankly I know very little of the background. Is it true that the railroads are all Government owned that this will deal with?

Mr. RIVERS of Alaska. I would say to the gentleman that the one railroad in Alaska, which is the Alaska Railroad, is Government owned and is operated under the jurisdiction of the Department of the Interior. The Department has full authority to operate the Railroad. This particular legislation does not put the Railroad under the jurisdiction or within the purview of the ICC ratemaking authority. Presently the Alaska Railroad files its tariffs with the Interstate Commerce Commission both as a matter of courtesy and as a matter of public information. Nothing in existing law would prevent the Alaska Railroad from becoming a party to a through route and joint rate agreement such as is authorized by this bill, nor prevent the ICC from approving such an agreement just because the Alaska Railroad appears as one of the contracting parties.

Mr. POAGE. In other words, the railroads can become a party to the through routes and joint rates without legislation, but the steamship companies cannot; is that right?

Mr. RIVERS of Alaska. That is partially correct. All surface carriers may, under existing law, enter into such agreements with each other, except ICC-regulated motor carriers with FMC-reg-



ulated water carriers, and ICC-regulated water carriers, with FMC-regulated water carriers. The bill before us would make up for the deficiency in existing law by covering these two combinations.

Mr. POAGE. I understand but the steamship companies cannot do this unless we pass this legislation.

Mr. RIVERS of Alaska. The water carriers to Alaska which are under the Maritime Commission may not enter into such agreements with the truckers or with coastwise shipping which is under the ICC without this legislation.

Mr. POAGE. I thank the gentleman.

Mr. SPRINGER. Mr. Chairman, I yield myself such time as I may require.

The legislation is supported by the Interstate Commerce Commission; by the Representative and senior Senator from, and the Governor of, Alaska; the Fairbanks and Alaska Chambers of Commerce; Alaska Carriers Association, Inc.; American Merchant Marine Institute, Inc.; Common Carrier Conference of Domestic Water Carriers; American Trucking Associations, Inc.; Consolidated Freightways, Inc.; and the Transportation Association of America.

Everyone involved in this matter supported the legislation.

No one has expressed any opposition to the legislation, although the Department of Commerce, the Federal Maritime Commission, and the Bureau of the Budget, have indicated a preference for a different approach to the problem met by this legislation.

The committee came to the conclusion that this was the best approach.

The statehood acts relating to both Alaska and Hawaii retained jurisdiction over water transportation between Alaska, Hawaii, and the other States in the Federal Maritime Commission. The Interstate Commerce Commission has taken the position, that in the absence of statutory authority, carriers subject to the Commission's jurisdiction cannot enter into through routes and joint rates with those subject to the Maritime Commission jurisdiction.

It is for this reason the committee brought this legislation forward, and I believe it ought to be passed.

Mr. WILLIAMS. Mr. Chairman, I yield such time as he may require to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to speak out of the regular order.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

#### DEDICATION OF CAMP YORKTOWN BAY

Mr. HARRIS. Mr. Chairman, near Hot Springs, Ark., on June 16, 1962, there was dedicated at a most significant and special ceremony one of the finest boys' camps in this country, known as Camp Yorktown.

The motto for this beautiful, most attractive and fabulous camp for boys is "Developing Today's Youth for Tomorrow's National Security."

The camp is sponsored by the Hot Springs Council, Navy League of the United States. The original idea for the camp began when the council needed a

base for its sea cadets along the wooded shores of Lake Ouachita. The moving force behind this development, and largely responsible for it is Peter D. Joers, lieutenant commander, retired, of the Navy, president of the council. It was largely his vision, followed with action that this site was located and construction realized amid the primitive beauty of Lake Ouachita where pine-clad foothills are lapped by the waters of sheltered Yorktown Bay lagoon. He had the able assistance and cooperation of George Ernschaw, retired Navy officer and former baseball pitcher in the major leagues, who was secretary of the council at the time the idea for this beautiful camp was conceived. Both of these outstanding citizens, interested in the development of the youth of America, were officers on the carrier *Yorktown* during World War II.

This camp is located on a 113-acre site, 16 miles northwest of Hot Springs. Sixty acres of land was donated by Dierks Forests, Inc., and the remaining 53 acres leased from the U.S. Corps of Engineers. When it is completed it will accommodate 420 youngsters during the summer camping season.

Attending this dedication were many outstanding officials, retired officers, public officials, and other citizens of this Nation and our State of Arkansas. I include with this statement a list of the guests in order to emphasize its importance by the attendance of such outstanding and important guests.

The feature of this dedication was the address of our senior Senator of Arkansas, Senator JOHN L. McCLELLAN. Senator McCLELLAN has shown by his well known, able, and outstanding service to his Nation his interest in the preservation of our institutions, the rights, liberties, and privileges of our people, as well as for the protection of our youth. He is dedicated to the task of providing opportunities for the youth of America. This is a most appropriate address for the occasion, which I commend to my colleagues of the Congress and the people throughout the Nation. Under unanimous consent, I include the address in the Record, together with the list of guests in attendance on this outstanding and most important occasion.

I know I am joined by our citizens in Arkansas and throughout the Nation in our high compliments of Mr. Joers, Mr. Ernschaw, and others of the Hot Springs Council of the Navy League for sponsoring this program and providing for the development of our youth and the opportunities in a free enterprise.

#### DEDICATION OF CAMP YORKTOWN BAY, HOT SPRINGS, ARK., JUNE 16, 1962

(Excerpts from address of Senator JOHN L. McCLELLAN)

Mr. Toastmaster, my colleagues in Congress, distinguished officers, and members of the armed services, State and county officials, officers and members of the Navy League, ladies and gentlemen, it is a proud privilege indeed to be present here today, to participate in these ceremonies and to have a part on this dedication program.

A father dreams of many things for his children. His expectations and aspirations most frequently center around their happiness, their welfare, and their achievements.

In them, he finds his hope for immortality. Some of his dreams may be realized—some of them come true. Others—well, they may be shattered and never fulfilled.

Today, in this lovely wooded spot on beautiful Lake Ouachita, the dedication of this camp with buildings named in honor of friends, loved ones, and distinguished people who have gone before us, and one particularly named in memory of my deceased sons, brings a measure of consolation and fulfillment to my family and me. For this, we are deeply grateful.

You have very appropriately named this camp, Yorktown Bay, in recognition of two great events in our Nation's history and of the men who were responsible for that greatness—in remembrance of the aircraft carrier *Yorktown* which was bombed by the Japanese off Okinawa in World War II, and of the town of Yorktown, Va., where General Washington received the surrender of General Cornwallis in 1781, marking the final victory of the Revolution in the struggle of the American Colonies for their independence. The mention of those events in history bring to mind the great sacrifices and selflessness of the men whose patriotism and statesmanship established our sovereign country and that have continued to preserve the United States of America.

The activation of Camp Yorktown Bay brings to fruition the inspiration, vision, planning, and unceasing endeavor on the part of those who saw in the rugged beauty of these surroundings the opportunity to provide wholesome recreation and a rich and rewarding summer experience for many boys and girls in this section of our country. The parents of the youth who will visit and enjoy this camp owe much to the civic spirit and altruism of Mr. Peter Joers and his associates, Dierks Forest, Inc., to the Navy League of Hot Springs, and indeed to all of those who have contributed their time and money to bring this camp into being. Every citizen of this community, all of us in Arkansas and the national organization of the Navy League may take special pride in the fine facilities that their efforts have made possible.

America's most valuable resource is her youth. The future well-being of our country depends upon their proper development, stability, and ability to meet and overcome the multitudinous challenges that they will face in their time; challenges, possibly, as grave and as important as those faced by the men of Yorktown in 1781 and again in 1944 by the men who served on the aircraft carrier *Yorktown* of the U.S. Navy.

Only if our young people are taught the full meaning of integrity, only if there is instilled into them an abiding sense of personal obligation and dedication to their community, to their State, and to the Nation, can our liberties and freedoms be perpetuated and made secure.

One of the major threats to our internal security in this Nation today is the growing rate of serious crime being committed throughout the land. Since 1957 the rate of serious crime in our country has increased five times faster than the population of the United States, mounting by 11 to 13 percent each year, until now four serious crimes are committed somewhere in the United States every minute of every hour of every day. In my judgment, this threat equals, and possibly transcends, the danger of internal subversion by the Communist international conspiracy. This is most regrettable, and particularly so, when we take into account that juvenile delinquency is also increasing at a rapid rate. The FBI reports show that juvenile crime in the United States, in the past 10 years, has more than doubled, although the juvenile population age group has increased by less than half. The latest preliminary figures of the FBI reveal that this distressing trend is continuing unabated.

Of course, Camp Yorktown Bay was not conceived nor was it constructed to act as a corrective after the fact of delinquency, but rather to provide wholesome recreation, favorable environment, and profitable instruction for those youths whom it may accommodate. Certainly, such services and benefits provide an effective deterrent to future delinquencies that might well occur. Here will be given to the youth who are privileged to attend this camp, opportunities for counsel, teaching and examples calculated to inculcate in them higher ideals and concepts of character and responsibility. This training and experience here at this camp will surely make them better men and women, and will equip and prepare them to better meet the myriad vicissitudes and obligations of good citizenship.

One of the major objectives of the summer programs here will be "to encourage American boys and girls to develop physical fitness, courage, self-reliance, and kindred virtues." Thus, I perceive Yorktown Bay is a practical and modern implementation of the Greek ideal of a sound mind in a sound body. Through the media of the customary activities such as swimming, archery, nature study and the like, combined with nautical training and well-planned social and literary programs, the young people who participate in the 12-day schedules here will surely return to their home communities with a keener personal appreciation and consciousness of their importance and responsibilities to the social, political, and civic affairs of our country.

To the Navy League and those who have sponsored this camp, I would say, you have set high goals and standards for this camp. Your objectives are both noble and commendable, and I salute you for having conceived and developed this project. Your unwavering devotion to a high purpose and worthy cause has made this camp a reality and this occasion possible.

Today is a prelude to the future. The expansion of these present facilities which is sure to come, makes this pleasant and invaluable summer experience available to a still larger number of boys and girls who will come to this camp each year. I congratulate you and express the gratitude of all fathers and mothers whose children will be privileged to have the wonderful benefits and advantages that you have here provided for them. I am sure Divine Providence will ever bestow its bountiful blessing on this camp and on all of you who have had a noble part in its promotion and construction.

Distinguished guests in attendance at Camp Yorktown Bay dedication, June 15 and 16, 1962:

The Honorable JOHN McCLELLAN and Mrs. McClellan.

The Honorable J. WILLIAM FULBRIGHT.

The Honorable CATHERINE D. NORRELL.

The Honorable OREN HARRIS.

The Honorable DALE ALFORD.

The Honorable Nathan Gordon, Lieutenant Governor of Arkansas, Little Rock, Ark.

The Honorable Frank Holt, attorney general, State of Arkansas, Little Rock, Ark.

Admiral of the Fleet Arthur W. Radford, U.S. Navy, retired, Mayflower Hotel, Washington, D.C.

Adm. J. J. Clark, U.S. Navy, retired, president, Alaska Airlines, New York, N.Y.

Vice Adm. R. B. Pirie, U.S. Navy, Deputy Chief of Naval Operations (Air), Washington, D.C.

Rear Adm. Julian Becton, U.S. Navy, Commander, U.S. Naval Reserve Training Command, Omaha, Nebr.

Rear Adm. John J. Bergen, U.S. Naval Reserve, retired, chairman of the board, Hotel Corp. of America, New York, N.Y.

Rear Adm. Joseph J. Clifton, U.S. Navy, and Mrs. Clifton, Chief of Naval Air Tech-

nical Training, Naval Air Station, Memphis, Tenn.

Rear Adm. M. T. Evans, U.S. Navy, retired, and Mrs. Evans, Melton Banking Co., Wells-ton, Ohio.

Rear Adm. R. A. MacPherson, U.S. Navy, Assistant Chief of Naval Personnel, Washington, D.C.

Rear Adm. F. B. Warder, U.S. Navy, Commandant, Eighth Naval District, New Orleans, La.

Maj. Gen. W. C. Bullock, U.S. Army, Commanding Officer, XIX Corps, U.S. Army, Fort Chaffee, Ark.

Brig. Gen. Robert H. Strauss, U.S. Air Force, Commander, 17th Strategic Aerospace Division, Whiteman Air Force Base, Mo.

Gen. Charles D. Henley, U.S. Army Reserve, Office of the Assistant Division Commander, 95th Division (training), Little Rock, Ark.

Col. C. J. Van Sickle, U.S. Army, sector commander, Arkansas sector, Little Rock, Ark.

Capt. Cooper Bright, U.S. Navy, Office of the Assistant Secretary of the Navy, Washington, D.C.

Capt. B. E. Close, U.S. Navy, and Mrs. Close, Naval Air Technical Training Center, Memphis, Tenn.

Capt. J. H. Kuhl, U.S. Navy, and Mrs. Kuhl, Chief of Staff, Naval Air Technical Training, Naval Air Station, Memphis, Tenn.

Col. Bascom Bogle, U.S. Air Force, Medical Group Commander, Headquarters 825 Medical Group (SAC), Little Rock Air Force Base, Jacksonville, Ark.

Col. George E. Glober, U.S. Air Force, Headquarters 70 Bombardment Wing, Little Rock Air Force Base, Jacksonville, Ark.

Col. Herman H. Hankins, U.S. Army, Headquarters, 379th Regiment, U.S. Army Reserve Center, Little Rock, Ark.

Col. Carl C. Hinkle, Jr., U.S. Air Force, Base Commander, Little Rock Air Force Base, Jacksonville, Ark.

Col. Robert W. Strong, Jr., U.S. Air Force, Headquarters 825th Air Division, Office of the Commander, Little Rock Air Force Base, Jacksonville, Ark.

Maj. James M. Mueller, U.S. Army, Deputy District Engineer, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Maj. C. B. Searls, U.S. Army, Headquarters, XIX Corps, U.S. Army, Fort Chaffee, Ark.

Comdr. M. R. Fleming, Commanding Officer, U.S. Naval and Marine Corps Reserve Training, War Memorial Stadium, Little Rock, Ark.

Maj. Eugene J. Kelley, U.S. Air Force, Headquarters 825th Air Division (SAC), Little Rock Air Force Base, Jacksonville, Ark.

Capt. Thomas Marshall, U.S. Army, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Lieutenant Hunter, U.S. Navy, aide to Admiral Pirie.

Lt. J. L. Maturo, U.S. Air Force, aide to General Strauss.

Lt. Paul Mulloy, U.S. Navy, aide to Admiral Warder.

James T. Bryan, Jr., president, U.S.S. Yorktown Association, New York, N.Y.

E. P. Blankenship, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Mr. Otto F. Buzhardt, Chief, Reservoir Development Section, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Thomas J. Carter, Jr., Chief, Projects Operation Branch, Corps of Engineers, Vicksburg, Miss.

George C. Gilman, executive assistant to the president, Navy League of the United States, the Mills Building, Washington, D.C.

Morgan L. Fitch, Jr., and Mrs. Fitch, national vice president, Navy League of the United States, Chicago, Ill.

T. J. Patterson, admiral of the Texas Navy, and Mrs. Patterson, Waco, Tex.

David J. Parsons, Jr., Hot Springs, Ark.

J. L. Roselle, Chief, Real Estate Division, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Mr. WALLHAUSER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from New Jersey.

Mr. WALLHAUSER. I am glad to hear the distinguished gentleman speak so glowingly of George Ernschaw. It happens that he comes from the congressional district in New Jersey that I have the honor to represent. I wish the gentleman would convey to him the good wishes of all his former friends and neighbors.

Mr. HARRIS. I thank the gentleman, and I shall be glad to do that. Not only was he one of the greatest pitchers in major league baseball, but he has turned out to be one of the cleverest speakers in his performance when he introduced these outstanding naval personages and called attention to some of their experiences together in World War II, and particularly when their aircraft carrier was under attack by the Japanese. I think your heart would be as keen upon every part of his performance. He is doing a grand job in Hot Springs and that vicinity.

Mr. WILLIAMS. Mr. Chairman, we have no further requests for time.

Mr. SPRINGER. Neither do we, Mr. Chairman.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 216 of the Interstate Commerce Act, as amended (49 U.S.C. 316 (c)), is amended by adding at the end thereof the following new sentence: "As used in this subsection, the term 'common carriers by water' includes water common carriers subject to the Shipping Act, 1916, as amended, or the Intercoastal Shipping Act of 1933, as amended (including persons who hold themselves out to transport goods by water but who do not own or operate vessels) engaged in the transportation of property in interstate or foreign commerce between Alaska or Hawaii on the one hand, and, on the other, the other States of the Union, and through routes and joint rates so established and all classifications, regulations, and practices in connection therewith shall be subject to the provisions of this part."*

*Sec. 2. Subsection (b) of section 305 of the Interstate Commerce Act, as amended (49 U.S.C. 905(b)), is amended by inserting between the second and third sentences thereof the following new sentence: "Common carriers by water subject to this part may also establish reasonable through routes and joint rates, charges, and classifications with common carriers by water subject to the Shipping Act, 1916, as amended, or the Intercoastal Shipping Act, 1933, as amended (including persons who hold themselves out to transport goods but who do not own or operate vessels) engaged in the transportation of property in interstate or foreign commerce between Alaska or Hawaii on the one hand, and, on the other, the other States of the Union, and such through routes and joint rates, and all classifications, regulations, and practices established in connection therewith shall be subject to the provisions of this part."*

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair,



Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11643) to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates, pursuant to House Resolution 701, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

#### LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I take this time to inquire of the acting majority leader as to the legislative schedule for next week.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, the program for next week is as follows:

Monday is District Day. There are five bills scheduled as follows:

S. 1834, authorization funds, hospital facilities.

S. 3063, incorporate Metropolitan Police Relief Association.

H.R. 9954, life insurance companies, loaning of money, securities.

H.R. 9441, amend National Capital Park and Planning Commission.

H.R. 8738, amend Life Insurance Act. Then, Mr. Speaker, we have for consideration on Monday the following bills:

H.R. 11654, amend Federal Reserve Act.

H.R. 11309, extend Export Control Act of 1949.

H.R. 11500, Defense Production Act.

These three bills are extensions of acts which are expiring.

On Tuesday there is scheduled for consideration the District of Columbia appropriations bill for 1963. Also scheduled is H.R. 10541, the Vaccination Assistance Act of 1962.

For Wednesday and the balance of the week there is scheduled the following bills:

H.R. 11970, Trade and Expansion Act of 1962.

S. 1658, to prohibit gambling services.

H.R. 8845, obstructions of investigations.

Conference reports, of course, may be brought up at any time, and any further program will be announced later.

Mr. DERWINSKI. May I inquire of the gentleman from California with further reference to the Trade Expansion Act? It is evident that the leadership expects that a rule will be granted providing for consideration of the Trade and Expansion Act?

Mr. SISK. If the gentleman will yield further, it is anticipated that a rule will be granted, I understand, possibly on Monday or Tuesday.

Mr. DERWINSKI. I thank the gentleman.

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. SISK. Mr. Speaker, I ask unanimous consent to dispense with Calendar Wednesday business of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

#### ADJOURNMENT OVER

Mr. SISK. Mr. Speaker, I ask unanimous consent that when the House adjourns today that it adjourn over until noon, Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

#### FARM LEGISLATION

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I am today introducing a new farm bill. I am calling a meeting of the Committee on Agriculture for 10 o'clock Monday morning.

The number of the new bill is H.R. 12266. It supersedes H.R. 11222, the legislation defeated in the House yesterday.

Mr. Speaker, we have made further concessions in this new draft of the proposed Food and Agriculture Act of 1962. It is our hope, notwithstanding the events of yesterday, that we might yet improve the plight of the American farmer, bring down farm surpluses, and provide some relief for the American taxpayer.

We shall expedite consideration of the bill as much as possible.

It proposes to continue for 1 year the voluntary production reduction programs for wheat, corn, and other feed grains which are in operation this year, with a modification of the voluntary program with respect to feed grains. These are the programs which the gentleman from Iowa [Mr. HOEVEN] thinks so much of, and which seem to be so popular. These programs were proposed by the administration last year and enacted by the Congress to be operative while the Congress worked on a more effective and less expensive program for these crops.

The present temporary and voluntary program for feed grains provides that farmers receive grain land retirement payments at 50 percent of the approximate value of grains that would have been produced on the first 20 percent of the acres they retire, and gives farmers the privilege of retiring an additional 20 percent of their grain acres for which they receive payments at 60 percent of the value of grains that would have been produced on the land. The new bill would provide 50 percent payments for the first 20 percent of acres retired, and 50 percent payment also for an additional 30 percent of land taken out of grain production.

The temporary wheat program operating in 1962 would be continued in 1963.

We are retaining in H.R. 12266 provisions of H.R. 11222 which are not controversial. We hope we can expedite the new bill through the committee and have it considered by the House some time next week, if possible.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. GROSS. Did this bill evolve by way of a trip through the briar patch or the rose garden?

Mr. COOLEY. It was the briar patch, as it looked last night. We got scratched up quite a bit.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AVERY. Mr. Speaker, I want to express my appreciation of the expeditious action which the chairman has taken and of his brief, and I realize very informal, explanation of the bill, in which he made reference to a voluntary wheat program. Under the present program for 1962, it is not voluntary, it is an involuntary program. I assumed that program would be extended.

Mr. COOLEY. It is an extension of the present program.

Mr. AVERY. In other words, then, would the gentleman say that the bill is virtually the same bill as that which had been approved by the Committee on Agriculture of the other body?

Mr. COOLEY. I cannot say. However, I think it is perfectly plain that we are taking out the controversial aspects of the legislation.

Mr. AVERY. I thank the gentleman.

#### THE NEW FARM BILL

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, it is interesting to note that the gentleman from North Carolina [Mr. COOLEY] in his new farm bill embraces some of the proposals contained in my substitute to title 4 of H.R. 11222 which was recommended yesterday. May I ask the gentleman whether his new bill makes any provision for the extension of conservation

reserve agreements that are expiring from year to year?

Mr. COOLEY. I do not think so.

Mr. HOEVEN. It was in my substitute.

Mr. COOLEY. Oh, no; it is not in here.

Mr. HOEVEN. Is there any provision relating to dairying?

Mr. COOLEY. Yes.

Mr. HOEVEN. What is it?

Mr. COOLEY. Just as it was in the other bill.

Mr. HOEVEN. In the bill that was defeated?

Mr. COOLEY. Yes.

Mr. HOEVEN. May I ask the gentleman whether there is any provision in his bill for tightening up on the dumping provision in the present feed grains act?

Mr. COOLEY. I do not know what the gentleman means by tightening up.

Mr. HOEVEN. Giving authority to the Secretary to dump wheat on the open market at his discretion.

Mr. COOLEY. I do not agree that the programs now operating authorize dumping.

Mr. HOEVEN. My substitute would prevent the dumping of CCC stocks of grain onto the open market at less than 5 percent above the current support price, plus reasonable carrying charges.

Mr. COOLEY. I am prompted by my vice chairman who says that the provision of the new bill in this respect is the same as under existing law.

#### THE NEW FARM BILL

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, it may be interesting to note—and I would like to ask the gentleman from North Carolina, the chairman of the committee, that it appears quite obvious there are many provisions of the bill with which he is not thoroughly familiar. Can he advise the House who is the author of the bill which he has introduced? I think many Members would like to know.

Mr. COOLEY. Here it is, right here, with my name right on it.

Mr. CRAMER. I appreciate that, but whose work are you presenting?

Mr. COOLEY. We had to work very diligently to get it up and bring it in.

Mr. CRAMER. I realize that. Is this Mr. Freeman's bill? Did Mr. Freeman bring it in over night?

Mr. COOLEY. No; Mr. Freeman did not write it.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Illinois.

Mr. PRICE. I wonder if the gentleman from Florida and the gentleman from North Carolina could tell the House whether or not these compromises in this new bill have been cleared by Mr. Sorkin.

Mr. CRAMER. I think the question was whether Mr. Freeman was the author of it. I was not being funny about it. I am serious.

#### FARM LEGISLATION

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I think it would be in order in view of the conversation of the last few minutes to inquire if the Committee on Agriculture will have at least limited hearings on this bill. What is the intention of the chairman?

Mr. COOLEY. I am calling a meeting Monday morning, and we will try to report it out Monday afternoon.

#### WAURIKA DAM PROJECT, OKLAHOMA

The SPEAKER pro tempore. Under previous order of the House the gentleman from Oklahoma [Mr. WICKERSHAM] is recognized for 10 minutes.

Mr. WICKERSHAM. Mr. Speaker, today, I have before me a letter from the acting Civil Defense Director from the State of Oklahoma. The letter reads:

DEAR CONGRESSMAN WICKERSHAM: We are taking this opportunity to advise you of an inspection of the Waurika area which has been completed by Mr. Fred Verity, an engineer employed by this office.

The most serious situation, in the Waurika area, according to Mr. Verity's report was the health and sanitation situation whereby there was excessive water standing in ditches, etc. The State health department has been advised of this situation and have assured us they will do all possible to eliminate any health hazard.

As always we appreciate your continuing interest in regards to your constituents.

Sincerely,

JERRY RAGSDALE,  
Acting Director.

Mr. Speaker, I say to my colleagues that I have talked to them from the floor and have spoken with many of them personally during the past few weeks. Today I am beginning my second week of daily speeches in behalf of the Bureau of Reclamation project near Waurika, Okla.

From the letter just stated, one can readily see that the miserable conditions at Waurika have again been compounded. Now a health and sanitation problem has arisen in the backlog of the flood.

Mr. Speaker, these are my people, my constituents. They are being made to endure a situation which is a disgrace in the 20th century in our Nation. As I have said before, these Americans are the victims of an American tragedy. Today the tragedy is not one of nature; it is a tragedy caused by inaction.

With our modern scientific engineering, we can build dams to prevent such flooding and alleviate such drought conditions. Look what has happened in the Tennessee Valley since TVA. Though Beaver and Cow Creeks cannot

be compared to the mammoth Tennessee River system, the same basic kind of scientific principles can be applied.

Mr. Speaker, today we are building Bureau of Reclamation and Corps of Engineers projects in many States including Oklahoma. In many cases these projects are not so urgently needed. Most of these projects cost more than the \$25 million needed for the Waurika Dam. May I again state that the Waurika project is not a giveaway. It is a project which will pay for itself. My people, the users of this water supply, will gladly bear this burden. They will gladly pay the price for the Waurika project.

The surrounding cities such as Lawton, Duncan, Comanche, Waurika, Walters, and Temple can and will use the water from the Waurika Reservoir. Water is needed for industry, particularly at Duncan and Lawton.

What city can grow without water? What town can even hold its own without an adequate water supply which means room for growth? The answers are obvious. Without the possibilities of increased water supplies, many of the aforementioned towns have no chance to grow.

We have been debating the farm bill during the last week. Most of us are aware of the plight of the American farmer—that is the little farmer, the small man. All of us are familiar with the exodus that has occurred from the 1930's to the present from the farming areas. All of us from farm States know what has happened to the population counts in the agrarian counties. It has steadily receded. My friends with decreased farm populations, some of these towns have their backs up against the economic wall. As Members of Congress, we can either lend a helping hand or we can sit here and await the execution. Much like the Ancient Mariner, it is a case of "water, water everywhere and nary a drop to drink."

Mr. Speaker, today I have outlined another point in the need for the Waurika project. I have just begun to fight. My people need help; and so help me God, we will make any sacrifice, share any burden, and talk and write until we are blue in the face. We will not give up.

#### PEREZ, LOVELL TACTICS DETRIMENTAL TO LOUISIANA AGRICULTURE

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. McSWEEN] may extend his remarks at this point in the body of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. McSWEEN. Mr. Speaker, even with the amazing industrial growth in Louisiana in recent years agriculture is still my State's most important industry. Hundreds of thousands of Louisianians other than farmers gain their livelihood either directly or indirectly from annual farm-marketing receipts in excess of \$400 million. In my own congressional



district there is hardly a person who is not materially benefited from stable and profitable farm operations in cotton, rice, sugar, corn, and other row crops, dairy, poultry, hogs, and beef cattle. I deeply regret that seeds of disunity have been sown in recent months among Louisiana farmers and ranchers. This disension has an alien source, and the tactics that have been employed in creating it have not been straightforward.

#### FAKES COMMUNIST ISSUE

On May 25 I witnessed a remarkable political spectacle in Baton Rouge. At a meeting of the Democratic State Central Committee held in the State Capitol a controversial political figure, Leander H. Perez, expressed an interest in the farm bill. Mr. Perez had joined the Farm Bureau May 19, 1962, as a charter member of the Plaquemines Parish chapter. Mr. Perez, who in 1960 almost succeeded in his attempt to have the Democratic State Central Committee prevent the Democratic Party nominees for President and Vice President of the United States from appearing on Louisiana ballots under the party emblem, offered a resolution that would have required candidates for Congress and the Senate in order to qualify to take an oath that they would not support the farm bill. His argument was that title I of the bill was communistic and similar to land reform in Communist China and Communist Cuba. During the course of the deliberations he counseled with Mr. Dave Means, also a member of the committee, who is the third vice president of the Louisiana Farm Bureau Federation. Mr. Perez was unsuccessful in his attempt to pass his resolution, but his tactics had the effect in Louisiana of casting doubt about the purpose of the farm bill by injecting without any justification whatsoever the Communist issue. These tactics were for the specific purpose of dividing farmers and creating disunity. They were calculated to appeal to emotion rather than reason. They are detrimental to Louisiana agriculture. This move was also a sinister threat to the right of duly elected Representatives and Senators to exercise free judgment within the bounds of representative government in a republic.

#### MISLEADS FARMERS

Another person who has employed misleading tactics and who has conducted a campaign against the farm bill unworthy of the respect of Louisiana farmers is L. L. Lovell, the \$13,995 per year salaried executive of the Louisiana Farm Bureau Federation. Mr. Lovell started preaching against this bill even before it had been introduced, and he set in motion the Farm Bureau campaign apparatus against the bill even before it had received committee consideration. Dues-paying Farm Bureau members in Louisiana, whether farmers or nonfarmers, were given no opportunity to study the provisions of the bill that came before the House and Senate before their dues were being ironically used to indoctrinate them with misleading propaganda against the farm bill.

In addition to giving Louisiana farmers no opportunity to learn for them-

selves the actual issues involved in the farm bill, Mr. Lovell misrepresented the bill to farmers. In connection with the so-called decision day membership drive conducted by the Farm Bureau in Louisiana on May 10, prospective new members were asked to register their approval or disapproval of the farm bill by either joining or not joining the Louisiana Farm Bureau Federation, the only such farm organization available for farmers in Louisiana to join. Prospects were not given either a copy or a digest of the bill upon which to base their decision. They were asked instead to base their decision either on the fact that the bill was connected with the Kennedy administration or on a Farm Bureau pamphlet containing misleading and exaggerated information. Three of the four cardinal Farm Bureau criticisms of the bill printed in this pamphlet concerned provisions of the bill that had been already deleted by the Agriculture Committees prior to this so-called decision day exercise. This misleading literature has also been used by paid Farm Bureau officials at countless campaign meetings throughout Louisiana to try to drum up blind opposition to the farm bill from loyal Farm Bureau members.

In the Louisiana Farm Bureau News for May 1962 the editorial is entitled "USDA and Integration?" This constituted mainly an excerpt from the CONGRESSIONAL RECORD of May 21 reporting a colloquy between Senator Aiken and Senator EASTLAND on the subject of whether recreation projects authorized under the farm bill would be integrated. The obvious purpose of this editorial was to raise the racial issue among Louisiana farmers with regard to the farm bill. Fake communism and racial integration issues have thus been employed by the Farm Bureau as a means of clouding and confusing the important issues raised in the farm bill.

#### URGES CONTROL; ALSO LESS CONTROL

Mr. Lovell is still making venomous speeches in Louisiana attacking the bill in exaggerated terms such as that it would give the Secretary of Agriculture dictatorial power over feed grain producers, that the bill would abolish the market price system in agriculture, and that it would freeze Louisiana in its current agricultural status. All of these claims are unfounded. He has also said repeatedly that Louisiana farmers want less Government regimentation and not more. This last claim is an interesting one. He urges less so-called Government regimentation at the same time that he urgently pleads for the passage by Congress of an extension of the Sugar Act, a control program that provides direct Federal Government payments. Under the sugar program approximately 5,000 Louisiana farmers earn in excess of \$50 million annually. He also pleads for no change in the rice and cotton programs, which are based on acreage allotments and price supports. Under these programs Louisiana cotton growers earn annually in excess of \$90 million and rice growers in excess of \$60 million.

#### ACCEPTS GOVERNMENT HELP

As a matter of fact, Mr. Lovell earns part of his own livelihood by participating in the sugar and cotton programs and by receiving assistance from the Federal Government. Along with Mr. Robert J. Munson, his brother-in-law, he owns and operates the 985-acre Witchwood Plantation located near Cheneyville, Rapides Parish, La. For example, Mr. Lovell and Mr. Munson, in 1955, with the assistance of the Government, received cotton loans totaling \$22,479.77. In 1956, this figure was \$30,263.74. In the years 1957 through 1961, Mr. Lovell and Mr. Munson received directly from the Federal Government sugar payments totaling \$21,154.25. In 1959, Mr. Lovell and Mr. Munson received directly from the Federal Government wool payments totaling \$304.82 for 1,789 pounds of wool. And for 1958, 1960, and 1961, Mr. Lovell and Mr. Munson received from the Federal Government agricultural conservation program payments for soil conserving practices in the amount of \$975.40.

I do not cite this information to criticize their participation in these Government assistance programs. Sugar farmers tell me that they could not stay in business except for the Sugar Act. Rice farmers tell me that the rice program is essential to their solvency, and cotton farmers tell me that without the cotton program it would not be possible for them to risk the heavy investment needed to make a cotton crop. Mr. Lovell has on many occasions endorsed this point of view. These particular programs have been operated by the Government with success and without exorbitant cost to the taxpayers. As a matter of fact, at the end of 1952, all Government farm programs had shown a net profit in excess of \$13 million. Whether by coincidence or otherwise it has been only since 1952 that the Government has suffered tremendous losses in agriculture, particularly in wheat and feed grains. It has been only since 1952 that the farmers have suffered a parity ratio drop from 100 percent to 80 percent. And it has been only since 1952 that the annual costs of farm programs have climbed from the level of \$1 billion to \$5 billion, \$6 billion, and \$7 billion.

No, I do not find fault with Mr. Lovell in either personally participating in these programs or in publicly endorsing them in the interest of Louisiana farmers. What I do criticize, however, is his inconsistency now, during the fight to overcome the serious crisis in wheat and feed grains by trying to pass for these crops the same type of legislation that he endorses for other Louisiana crops, in wailing and complaining about regimentation and Government control. He has aligned himself in this matter completely with the Chicago-based American Farm Bureau Federation, of which he is a director, which has recently cast aspersions on all allotment programs, particularly the cotton allotment program. He has joined hands with the grain and storage interests of the Midwest and those members of the Republican Party who, if they could, would abolish all Government assistance farm programs.

## INCONSISTENCY UNDESIRABLE

As the member of the Agriculture Committee from Louisiana I feel it my duty to call to the attention of Louisiana farmers this serious question that has been raised in the eyes of Congress as to the position of Louisiana agriculture on these matters. Louisiana farmers would do well to ponder now which course they wish to follow as a matter of policy and hew a consistent line regarding farm programs. Mr. Lovell may be able to talk one way about sugar, cotton, and rice and yet another way about feed grains. As a matter of intellectual honesty these are tactics that I cannot follow as a member of the Committee on Agriculture and as a Member of the House of Representatives. I have confidence also that individual farmers in Louisiana do not want me to become a party to inconsistency and duplicity and that they do not want me to contribute to disunity in Louisiana agriculture.

Mr. Speaker, the Department of Agriculture is now celebrating its centennial. During the 100 years since the bill creating the Department of Agriculture was signed into law by Abraham Lincoln, American agriculture has undergone miraculous progress. This did not happen by chance. Thousands of persons through the years have made great contributions. The land-grant colleges and universities, the Extension Service, Research, the Soil Conservation Service, Farmers Home Administration, the Forest Service, Commodity Stabilization Service, and many other agencies of the Department of Agriculture working with individual farmers under the private enterprise system have achieved a fabulous agricultural technology and capability. It would be tragic if we were either unwilling or incapable of managing our farm abundance. This is no time for dissension and disunity among farmers, or between farmers and consumers, or between farmers and taxpayers. The welfare of each is in the interest of the other.

Even though the farm bill was re-committed last night by the House to the Committee on Agriculture for further consideration the surplus and overproduction crisis in wheat and feed grains still menaces the basic foundations of agriculture. Constructive legislation this session to deal with this serious problem is essential. Otherwise all of agriculture is in jeopardy of demagogic attack and ruin from its detractors.

## FEDERAL PARTICIPATION IN SHORE PROTECTION

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Delaware [Mr. McDowell] may extend his remarks at this point in the body of the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. McDOWELL. Mr. Speaker, the American Shore and Beach Preservation Association has endorsed the bill, H.R. 11759, cosponsored by my friend and col-

league, the gentleman from New Jersey [Mr. THOMPSON] and myself, to amend the laws with respect to Federal participation in shore protection.

This bill was drafted at my request by the Army Corps of Engineers.

I include as part of my remarks a letter I have received from Maj. Gen. J. S. Seybold, U.S. Army, retired, president of the American Shore and Beach Preservation Association; a summary of the provisions of the McDowell-Thompson shore protection bill; the relevant text of a newsletter issued May 31, 1962, by the American Shore and Beach Preservation Association; and the text of the bill, H.R. 11759.

I invite all of my colleagues who have shore and beach protection problems to join in cosponsoring this legislation.

## AMERICAN SHORE AND BEACH PRESERVATION ASSOCIATION,

Washington, D.C., May 21, 1962.

HON. HARRIS B. McDOWELL, JR.  
Congress of the United States, House Office Building, Washington, D.C.

DEAR CONGRESSMAN McDOWELL: We are pleased to receive a copy of your bill, H.R. 11759, to amend the present statute relating to Federal participation in shore protection. Your proposal is, in general, that of the program of this association and with which it is in full accord.

The American Shore and Beach Preservation Association is a nonprofit organization formed in New Jersey in 1926 for the purpose of developing a public awareness of the loss of our shores and beaches, to stimulate the technical, scientific knowledge of coastal engineering, and to improve governmental administrative procedures to preserve these limited resources. Even at that early date, due to the restriction of transport and movement, the loss of our shores and beaches in the more readily accessible areas was of concern. Conservation of these resources, as you are fully cognizant, becomes increasingly important with the growth of population, leisure, and increased individual income. Likewise, the competition for space for various coastal use—residential, industrial, and recreational—challenges our wisdom in the development of a proper conservation program. It is important, we believe, that the community and State in cooperation with the Federal Government plan and establish a cooperative program for the preservation and realistic use of our disappearing beaches and shores. Suitable legislative procedures and mechanism for management must be early provided.

The problem is broader than the specific preservation of beaches; it includes the erection, management and control of the natural or manmade works of protection against the storms and tides; it includes a suitable program of land management and should develop uses of the shores and its waters to the best interests of the community, State, and of the Nation.

Our organization is supported, primarily, by devoted advocates of conservation but it is tempered by a large group of county and municipal government units who, with our members of the engineering profession, include a wide range of interests and accommodate our program to the needs of the seafaring communities.

Your proposed legislation is needed, and is justified by existing conditions and the necessities of the future. Do let us know if we can be of any assistance in the presentation of this commendable legislation.

I enclose a copy of our official publication, Shore and Beach magazine, published semiannually, and the monthly newsletter, for your information. You will note Senator ANDERSON's comments in the news-

letter and we would likewise appreciate your comments on the proposed bill for publication.

Very truly yours,

J. S. SEYBOLD,  
Major General,  
U.S. Army, Retired.

## DESCRIPTION OF BILL PERTAINING TO SHORE PROTECTION

This bill would:

1. Amend the act of August 13, 1946, as amended:

(a) By increasing from one-third to one-half the Federal participation in the cost of shore restoration and protection projects.

(b) By providing for 100 percent Federal cost participation in protection of Federal property and in projects at State, county, and other publicly owned shore parks and conservation areas which meet certain criteria set forth in the bill.

(c) By authorizing reimbursement of local interests for work done by them on authorized projects up to \$1 million.

(d) By providing small shore and beach restoration and protection project authority with a single project limit of \$400,000.

2. Modify the act of July 3, 1930, as amended, by providing for surveys entirely at Federal cost. Through application of existing laws pertaining to river and harbor surveys, specific contribution to the costs and cooperation in the survey by a State or local agency would not be required, but the consulting and coordinating requirements of the 1945 River and Harbor Act would apply.

3. Make the new participation provisions applicable to authorized projects where the Federal contribution has not been made as of the date the bill is enacted.

## CONGRESS

(News letter by American Shore and Beach Preservation Association)

Another milestone, and a most important one in the progress of the association program, was made in Washington this month: H.R. 11759, proposed by Congressman McDOWELL, of Delaware, and cosponsored by Congressman THOMPSON, of New Jersey, was referred to the Committee on Public Works of the House.

The bill provides liberalized fiscal support and broadens Federal policy in participation in shore and beach preservation projects.

H.R. 11759 proposes to increase the limit of the Federal contribution for the construction of works for the restoration and protection of our beaches and shores from one-third to one-half of the cost. It also adds that the costs allocated to the restoration and protection of Federal property shall be borne fully by the Federal Government, and that Federal participation in the cost of a project for restoration and protection of State, county, and other publicly owned shore, parks, and conservation areas may be the total cost exclusive of land costs when such areas: include a zone which excludes permanent human habitation; include but are not limited to recreational beaches; satisfy adequate criteria for conservation and development of the natural resources of the environment; extend landward a sufficient distance to include, where appropriate, protective dunes, bluffs, or other natural features which serve to protect the uplands from damage; and provide essentially full park facilities for appropriate public use, all of which shall meet with the approval of the Chief of Engineers.

The present statute is further amended to read:

"When in the opinion of the Chief of Engineers the most suitable and economical remedial measures would be provided by periodic beach nourishment, the term 'construction' may be construed for the purposes of this Act to include the deposit of



sand fill at suitable intervals of time to furnish sand supply to project shores for a length of time specified by the Chief of Engineers.

"Shores other than public will be eligible for Federal assistance if there is benefit such as that arising from public use or from the protection of nearby public property or if the benefits to those shores are incidental to the project, and the Federal contribution to the project shall be adjusted in accordance with the degree of such benefits.

"No Federal contribution shall be made with respect to a project under this Act unless the plan therefor shall have been specifically adopted and authorized by Congress after investigation and study by the Beach Erosion Board under the provisions of section 2 of the River and Harbor Act approved July 3, 1930, as amended and supplemented, [or, in the case of a small project under section 3 of this Act unless the plan therefor has been approved by the Chief of Engineers.]" (words added by H.R. 11759 in black brackets.)

Sections 2 and 3 of the previous Act are amended to read as follows:

"Sec. 2. The Secretary of the Army is hereby authorized to reimburse local interests for work done by them on authorized projects which individually do not exceed \$1,000,000 in total cost after initiation of the survey studies which form the basis for the project; *Provided*, That the work which may have been done on the projects is approved by the Chief of Engineers as being in accordance with the authorized projects: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

"Sec. 3. The Chief of Engineers is hereby authorized to undertake construction of small shore and beach restoration and protection projects not specifically authorized by Congress, which otherwise comply with section 1 of this Act, when he finds that such work is advisable, and he is further authorized to allot from any appropriations heretofore or hereinafter made for civil works, not to exceed \$3,000,000 for any one fiscal year for the Federal share of the costs of construction of such projects: *Provided*, That not more than \$400,000 shall be allotted for this purpose for any single project and the total amount allotted shall be sufficient to complete the Federal participation in the project under this section including periodic nourishment as provided for under section 1(c) of this Act: *Provided further*, That the provisions of local cooperation specified in section 1 of this Act shall apply: *And provided further*, That the work shall be complete in itself and shall not commit the United States to any additional improvement to insure its successful operation, except for participation in periodic beach nourishment in accordance with section 1(c) of this Act, and as may result from the normal procedure applying to projects authorized after submission of survey reports."

All provisions of existing law relating to surveys of rivers and harbors shall apply to surveys relating to shore protection and any expenses incident and necessary to investigation and study shall be paid from funds for "general investigations, civil functions," Department of the Army, and section 2 of the River and Harbor Act approved July 3, 1930, as amended (33 U.S.C. 426), is modified to the extent inconsistent herewith.

The cost-sharing provisions of this act shall apply in determining the amounts of Federal participation in or payments toward the costs of authorized projects for which the Federal contribution has not been made prior to the date of approval of this act, and the Chief of Engineers, through the Beach Erosion Board, is authorized and directed to

recompute the amounts of Federal contribution toward the costs of such projects accordingly."

#### H.R. 11759

A bill to amend the laws with respect to Federal participation in shore protection

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Act approved August 13, 1946, as amended by the Act approved July 28, 1956 (33 U.S.C. 426e-h), pertaining to shore protection, is hereby further amended as follows:

(a) The word "one-third" in section 1(b) is deleted and the word "one-half" is substituted therefor.

(b) The following is added after the word "located" in section 1(b): ", except that the costs allocated to the restoration and protection of Federal property shall be borne fully by the Federal Government, and, further, that Federal participation in the cost of a project for restoration and protection of State, county, and other publicly owned shore parks and conservation areas may be the total cost exclusive of land costs, when such areas: Include a zone which excludes permanent human habitation; include but are not limited to recreational beaches; satisfy adequate criteria for conservation and development of the natural resources of the environment; extend landward a sufficient distance to include, where appropriate, protective dunes, bluffs, or other natural features which serve to protect the uplands from damage; and provide essentially full park facilities for appropriate public use, all of which shall meet with the approval of the Chief of Engineers."

(c) The following is added after the word "supplemented" in section 1(e): ", or, in the case of a small project under section 3 of this Act, unless the plan therefor has been approved by the Chief of Engineers."

(d) Sections 2 and 3 are amended to read as follows:

"Sec. 2. The Secretary of the Army is hereby authorized to reimburse local interests for work done by them on authorized projects which individually do not exceed \$1,000,000 in total cost after initiation of the survey studies which form the basis for the project: *Provided*, That the work which may have been done on the projects is approved by the Chief of Engineers as being in accordance with the authorized projects: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

"Sec. 3. The Chief of Engineers is hereby authorized to undertake construction of small shore and beach restoration and protection projects not specifically authorized by Congress, which otherwise comply with section 1 of this Act, when he finds that such work is advisable, and he is further authorized to allot from any appropriations heretofore or hereinafter made for civil works, not to exceed \$3,000,000 for any one fiscal year for the Federal share of the costs of construction of such projects: *Provided*, That not more than \$400,000 shall be allotted for this purpose for any single project and the total amount allotted shall be sufficient to complete the Federal participation in the project under this section including periodic nourishment as provided for under section 1(d) of this Act: *Provided further*, That the provisions of local cooperation specified in section 1 of this Act shall apply: *And provided further*, That the work shall be complete in itself and shall not commit the United States to any additional improvement to insure its successful operation, except for participation in periodic beach nourishment in accordance with section 1(d) of this Act, and as may result from the

normal procedure applying to projects authorized after submission of survey reports."

Sec. 2. All provisions of existing law relating to surveys of rivers and harbors shall apply to surveys relating to shore protection and any expenses incident and necessary to investigation and study shall be paid from funds for "General investigations, civil functions", Department of the Army, and section 2 of the River and Harbor Act approved July 3, 1930, as amended (33 U.S.C. 426), is modified to the extent inconsistent herewith.

Sec. 3. The cost-sharing provisions of this Act shall apply in determining the amounts of Federal participation in or payments toward the costs of authorized projects for which the Federal contribution has not been made prior to the date of approval of this Act, and the Chief of Engineers, through the Beach Erosion Board, is authorized and directed to recompute the amounts of Federal contribution toward the costs of such projects accordingly.

#### THE AMERICAN LUMBER INDUSTRY'S APPRAISAL OF THE ESCAPE CLAUSE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRAY] may extend his remarks in the body of the Record at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRAY. Mr. Speaker, on occasion it has been suggested that lumbermen seek relief from their serious import problems under proceedings established by the escape clause of the Trade Agreements Act—section 7. Under these provisions a domestic industry which is being injured by imports may petition the U.S. Tariff Commission for relief.

In the light of performance under section 7, the chances for favorable results are not good. The American lumber industry is far from encouraged at the prospects of instituting lengthy proceedings with questionable prospects, particularly when an immediate solution to our problem is absolutely essential.

A brief review of what has taken place under the escape clause can explain the reluctance of this industry to hope for relief through it.

First, let us review the cast iron soil pipe fittings proceedings before the Commission. U.S. imports of that industry's products for consumption rose from 51 tons in 1954 to 2,087 tons in 1957. In 1958 they declined to 1,076 tons, and in 1959 increased to 2,241 tons. Imports during the first 3 months of 1960 amounted to 1,112 tons compared with 946 tons in the first 3 months of 1959.

In spite of this overwhelming increase in imports, the Commission in a decision rendered in August 1960 denied that industry relief.

In the rolled glass industry we find that aggregate net sales of rolled glass of the American concerns reporting to the Commission ranged between \$13 million and \$15 million per year in 1955-60. The aggregate net operating profit of these concerns declined from 17.6 percent of aggregate net sales to 7.9 percent in 1960. The ratio of the year-end inventory to total shipments increased

from about 35 percent in 1955-56 to 60 percent for 1960. U.S. producers' shipments for this same period declined from 61 million square feet to 46.8 million square feet. In spite of these facts, the Commission in a split decision rendered in May, 1961, failed to make a recommendation to the President for relief.

Within the lumber industry, we have an example of the false hopes and promises of the escape clause.

Let a representative of that industry explain their experiences along this route. In testimony last November before the House Labor Subcommittee on the Impact of Imports and Exports on American Employment, Mr. Byron E. Bryan, president of Calypso Plywood Co., Calypso, N.C., detailed the experiences of a major segment of the American lumber industry in seeking relief under the escape clause. He described it as a snare and delusion, which has worked against rather than in favor of the American industry.

In his testimony, Mr. Bryan outlined for the subcommittee the following thought-provoking experiences of the domestic hardwood plywood industry:

In 1955 the industry filed an escape clause application, relying on the statements of the administration that no injury would be permitted to American industry and that an injured industry would have relief under the escape clause. An investigation was made, hearings were held, and the Tariff Commission in June 1955, issued its report. The Commission's investigation, as reported, established the following facts on the hardwood plywood industry:

1. Of the companies reporting, 40 percent operated at a loss in 1954.
2. Net income in 1954 was one-third the rate in 1951.
3. Employment was down 12 percent from 1948.
4. Imports of hardwood plywood in 1954 had increased over 600 percent from 1951.
5. Imports had increased their proportion of the domestic market from 7.6 percent in 1951 to 37.2 percent in 1954.

The Commission, denying relief, found that imported hardwood plywood was like and directly competitive with the domestic hardwood plywood but that the injury had not existed for a sufficient length of time to determine a trend.

The decision of the Tariff Commission in 1955 was a blanket invitation to the foreign producers to increase their production for shipment to the United States. Imports soared from 425 million square feet in 1954 to over 800 million square feet in 1958 and thus absorbed in 1958, 50 percent of the domestic sales. Prices of the domestic hardwood plywood in this interval between 1954 and 1958 had been steadily forced down by the low priced imports and many of the companies were operating in the red.

In 1959 the hardwood plywood producers, believing that their continued injury had clearly established a trend sufficient to satisfy the Tariff Commission, filed a second application for relief under the escape clause. An investigation and hearings were held and the Commission made its report, finding as follows:

1. Imports of hardwood plywood had increased from 66.7 million square feet in 1951 to 809 million square feet in 1958 (Investigation 77, table 9).
2. Domestic hardwood plywood shipments had declined from 934 million square feet in 1955 to 793 million square feet in 1958.

3. Prices of domestic stock panels and cut-to-size panels had declined from an average of \$162 per thousand square feet in 1955 to \$131 and \$111 per thousand square feet respectively in 1958.

4. The dutiable value of hardwood plywood imports increased from \$8.5 million in 1951 to \$63 million in 1958.

5. The average price of imported hardwood plywood had declined from \$129 per thousand square feet in 1951 to \$69 per thousand square feet in 1958.

6. Sales of 59 domestic producers of hardwood plywood declined from \$101 million in 1955 to \$83 million in 1958 and profits on sales for the same companies dropped from 7.8 to 2.4 percent.

7. Of the 59 producers reporting in 1958, 23 producers or 39 percent of the 59, operated at a loss in 1958.

On the basis of this report the Tariff Commission, in a 4-to-1 decision, denied relief to the hardwood plywood industry on what would appear to be a finding that imported hardwood plywood was not like or directly competitive with domestic hardwood plywood. This was in direct conflict with the unanimous finding of the Commission on this issue in 1955. In fact, under law, if the imports were not like or directly competitive the Commission should not have entertained the application in the first instance or should have dismissed it on that ground, rather than denying injury. We, as businessmen coping with a serious problem in our industry, find this decision to be inexplicable.

The 1959 decision of the Tariff Commission was the second blessing conferred on the Japanese and the other foreign hardwood plywood producers by the Tariff Commission and hardwood plywood was literally dumped into our markets in what appeared to be a never-ending flow. Imports of hardwood plywood soared to over 130 million square feet per month. In 1959, imports increased over 500 million square feet over 1958, and although 1959 was an especially good year for the plywood market, imports absorbed 57.4 percent of the apparent consumption and represented 134.9 percent to domestic shipments (Department of Commerce, Hardwood Plywood 1959-60).

From 1948 through May 31, 1962, there has been formal Tariff Commission action in 133 escape clause cases. The Commission has recommended against relief in 93 cases. In 41 cases sent to the President relief was denied by the President in 26, and granted in only 15. In nearly all these cases in which the President accepted the Commission's findings on injury, he modified the recommendations in each instance diluting the Tariff Commission's recommendations.

The potential of Canadian lumber exports is tremendous, and the aggressiveness of the Canadians in exporting such products has been ably demonstrated. Because of this it is necessary that immediate action be taken to resolve the lumber import problem. Proceedings for relief under the escape clause average about 18 months which can be costly and time consuming when immediate relief is necessary.

A review of the history of the escape clause only proves that if an industry seeks relief under section 7 of the Trade Agreements Act that it encounters these almost insurmountable difficulties:

First. It must establish that it has sustained, or is threatened with, serious injury (a burden which many an American industry has learned is nearly impossible to prove as the law is currently administered).

Second. The standards for determining serious injury are indefinite and work to the disadvantage of domestic industry.

Third. The relief recommended where serious injury is found is usually inadequate to the injury.

Fourth. The President can disregard the recommendations of the Tariff Commission, and grant no relief at all.

The American lumber industry would be only too happy to pursue its course before the Tariff Commission. However, the blunt facts brought out by even a quick review of the escape clause history are there as a constant reminder that almost 80 percent of the American industries who have sought protection under its provisions only met with futility.

#### NEW YORK PORT AUTHORITY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. LINDSAY] is recognized for 30 minutes.

Mr. LINDSAY. Mr. Speaker, I do not intend to use the full 30 minutes allotted to me. I want to talk, however, for a few minutes about a subject of some importance that the Congress, I think, should act upon.

In February of 1961 we had quite a bitter fight on the floor of the House, as some of my colleagues may remember, over the question of whether or not the House should vote to cite for criminal contempt of the Congress certain officials of the New York Port Authority. There were three officials specifically, one was a commissioner from New York, one a commissioner from New Jersey, and one the executive secretary of the New York Port Authority who were named by the House. The House overwhelmingly cited them for criminal contempt of the Congress.

The House may recall this matter first arose sometime previous to that action on the part of the House when the House Committee on the Judiciary under the leadership of its chairman decided that the House Committee on the Judiciary should inquire into affairs of the New York Port Authority. The statement was made at the time that the New York Port Authority had exceeded the bounds of the interstate compact under which the port authority had come into being. Under the Constitution, the Congress is required to approve any interstate compact before the compact can become effective. The New York Port Authority compact had been in effect for a number of years doing most remarkable and exciting work involving transportation, storage facilities and warehouses, land and sea carriage of goods, airport construction and operation, harbor facilities, docks, and so on.

It is difficult to assess exactly what the reasons were which led the subcommittee on the Committee on the Judiciary that had responsibility in the matter to decide to investigate the affairs of the port authority.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. ROGERS of Colorado. Speaking for the subcommittee and for the benefit



of the gentleman from New York, a complaint was made by Members about what appeared on its face to be an extension of activity by the port authority beyond the powers granted to them. I think if the gentleman will look at the record he will find that the gentleman from New Jersey [Mr. FRELINGHUYSEN], along with a number of others from the State of New Jersey, complained to the chairman of the committee about what they were trying to do in the establishment of an airport beyond the bounds of the area over which they were given jurisdiction. That is what first started the subcommittee investigation.

Mr. LINDSAY. I thank the gentleman for his comment and his contribution to this special order, which I appreciate.

It is true, however, that the investigation which the chairman of the subcommittee thereupon undertook was a detailed and sweeping investigation into every corner and detail of the New York Port Authority. It went into the administrative affairs of the port authority in the most unprecedented fashion; in fact, this investigation of the port authority, a State organization, was considered unprecedented in the U.S. Congress. The nature of it was such that it could hardly have been triggered off by the complaints of a single Congressman, involving a single airport or proposed airport.

A subpoena was issued by the Judiciary Committee. It was a fishing expedition, pure and simple. It asked for every file that had ever been kept. Hearings were held by the House Judiciary Committee. The representatives of the New York Port Authority which included representatives from the State of New Jersey as well as the State of New York refused to produce all of their filing cabinets on the ground that they had complied with the subpoena insofar as it was necessary for the Congress to inquire into the operations of the New York Port Authority. Where they drew the line was in truck-loading down to Washington all their files regarding administration and housekeeping details that had nothing to do with any legislative inquiry by the Congress.

The committee then cited for criminal contempt three gentlemen, distinguished gentlemen all of them, with long careers of public service and contribution to the community. The matter came to the floor of the House from the Judiciary Committee. There were only two members of the House Judiciary Committee who dissented from the procedure and wrote a minority report; they were my colleague the gentleman from New York [Mr. RAY] and myself. We defended the port authority on the floor of the House, and we attempted to kill the criminal contempt citation. My colleague the gentleman from New York [Mr. RAY] placed his argument on constitutional grounds. I placed my argument in part on constitutional grounds and in part on the fact that the Committee on the Judiciary had exceeded the authority that had been granted to them by the House when the House granted leave to the Committee on the Judiciary to move

in this investigation. We did not prevail.

The House voted to cite for criminal contempt of Congress these three honorable gentlemen.

The matter then proceeded through the courts. The States of New Jersey and New York brought their case in support of the port authority before the U.S. District Court for the District of Columbia, which sustained the citations.

An appeal was taken to the U.S. Court of Appeals for the District of Columbia. The only court after that is the Supreme Court of the United States. Three judges met and listened to the arguments, Chief Judge Wilbur K. Miller, Judge Bastian, and Judge Danaher. That court, by unanimous decision, dated June 7, 1962, reversed the decision of the district court and held that the Congress had acted beyond its powers in citing for criminal contempt these three officers of the port authority.

I understand that the chairman of the Committee on the Judiciary has asked that the Department of Justice take the necessary steps to petition for certiorari to the Supreme Court of the United States.

The court of appeals refused to decide the matter on the constitutional question, although from the language in the decision it is plain that the court of appeals has grave doubts about the constitutionality of the action that was taken by the House of Representatives. The court decided the matter in the last analysis on the question of whether or not, first, the Congress had exceeded the scope of its authority granted by the House in holding these three gentlemen for criminal contempt; and, second, whether in fact the port authority had complied with the subpoena insofar as it was necessary to give the Congress the information it needed and was entitled to have.

The most important aspect of this matter from my point of view at the present time is, Where do we go from here? The court of appeals stated it was important to remember that an extremely intricate, and difficult constitutional question had come before it on the basis of a citation for criminal contempt; a criminal case.

The court said it was difficult to try to assess the powers of Congress versus the powers of the compact or States under those circumstances. The court said:

Appellant is no criminal and no one seriously considers him one. He stands before us convicted of crime merely because no method has been provided for testing the merits of his contentions save that of a prosecution for contempt of Congress. It is truly unfortunate that his choice was so restricted as to the presentation of his case, for it places us in the posture of being asked to answer broad questions of civil law within the framework of reviewing a criminal conviction.

The court was troubled by the fact that it was compelled "to decide essentially civil and jurisdictional issues at the same time that we establish criminal precedent."

The court went on to say:

The conflicting quality inherent in a request of this nature is not particularly con-

ducive to the giving of any satisfactory answer, no matter what the answer should prove to be. Should this controversy be resumed, it is hoped that Congress will first give sympathetic consideration to Judge Youngdahl's eloquent plea:

"During the House debate on the contempt citation, the committee inserted in the CONGRESSIONAL RECORD a memorandum purporting to show that declaratory judgment procedures were not an available means for procuring judicial resolution of the basic issues in dispute in this case. Although this question is not before the court, it does feel that if contempt is, indeed, the only existing method, Congress should consider creating a method of allowing these issues to be settled by declaratory judgment. Even though it may be constitutional to put a man to guessing how a court will rule on difficult questions like those raised in good faith in this suit, what is constitutional is not necessarily most desirable. Especially where the contest is between different governmental units, the representative of one unit in conflict with another should not have to risk jail to vindicate his constituency's rights. Moreover, to raise these issues in the context of a contempt case is to force the courts to decide many questions that are not really relevant to the underlying problem of accommodating the interest of two sovereigns."

I should like to say to the House that this lays it right in our lap. It brings back to us the very question that we debated at the time. I think everybody agrees that criminal contempt procedure was the wrong way to test this whole question, and the proper way to test it was by some civil procedure.

Therefore I want to advise my colleagues that I am going to undertake the task immediately of drafting legislation that will make possible the testing of questions of this kind by declaratory judgment procedure, rather than by criminal process and the besmirching of the good names of public servants who are acting in good faith on behalf of their Governors and their States. I would be glad if any of the Members, who are as interested in this subject as I am, would assist me in this endeavor.

Mr. Speaker, I will spread in the RECORD at this point the opinion of the court of appeals:

[U.S. Court of Appeals for the District of Columbia Circuit]

No. 16,604—AUSTIN J. TOBIN, APPELLANT, v. UNITED STATES OF AMERICA, APPELLEE

(Appeal from the U.S. District Court for the District of Columbia; decided June 7, 1962)

Mr. Thomas E. Dewey, with whom Messrs. Everett I. Willis, Lino A. Graglia, and Sidney Goldstein were on the brief, for appellant.

Mr. William Hitz, assistant U.S. attorney, with whom Messrs. David C. Acheson, U.S. attorney, and Nathan J. Paulson, assistant U.S. attorney, were on the brief, for appellee. Mr. Charles T. Duncan, principal assistant U.S. attorney, also entered an appearance for appellee.

Mr. Daniel M. Cohen, of the bar of the Court of Appeals of New York, pro hac vice, by special leave of court, with whom Mr. Jerome M. Alper was on the brief, for the State of New Jersey, as amicus curiae, urging reversal.

Mr. Theodore I. Botter, of the bar of the Supreme Court of New Jersey, pro hac vice, by special leave of court, for the State of New Jersey as amicus curiae. Mr. William F. Tompkins was on the brief for the State of New Jersey, as amicus curiae, urging reversal.

Mr. J. Raymond Clark filed a brief on behalf of the New York Chamber of Commerce, as amicus curiae, urging reversal.

Mr. Jerome A. Alper filed a brief on behalf of the State of Delaware, as amicus curiae, urging reversal.

Mr. Jerome M. Alper filed a brief on behalf of the State of Alabama, et al., as amici curiae, urging reversal.

Before Wilbur K. Miller, chief judge, and Danaher and Bastian, circuit judges.

Bastian, circuit judge: Austin J. Tobin, the executive director of the Port of New York Authority, was charged by information and convicted in the district court of criminal contempt of Congress, under title 2, United States Code, section 192, for refusing to produce certain documents called for by a subpoena issued by Subcommittee No. 5 of the Committee on the Judiciary of the U.S. House of Representatives.

The Port of New York Authority is a bi-state agency established in 1921 and 1922 by compacts between the States of New York and New Jersey to provide for the efficient administration of the New York Harbor, which is divided geographically between the two States. Pursuant to the compact clause of the Constitution,<sup>1</sup> Congress consented to the compacts but expressly retained, among other matters, "the right to alter, amend or repeal" its resolutions of approval. Over the years, the port authority has been remarkably successful in achieving its goals. As of 1959 it had investments of nearly \$1 billion and gross annual operating revenue in excess of \$100 million.

In February of 1960 the Judiciary Committee initiated an investigation of the authority on an informal basis. The authority cooperated with the committee investigators except as to disclosing certain documents alleged to relate exclusively to the internal administration of the authority. After this refusal events moved swiftly to a climax.

On June 1, 1960, the chairman of the committee obtained from the House subpoena power in connection with matters "involving the activities and operations of interstate compacts." What little floor discussion there was preceding this grant of subpoena power was not very enlightening; it certainly provided no lucid analysis of what was soon to follow. On June 8, 1960, Subcommittee No. 5 of the Judiciary Committee instituted a formal inquiry into the authority.

Appellant conferred with the board of commissioners of the authority, as well as with the Governors of both New York and New Jersey, and the consensus of their opinion was that the investigation being attempted was too broad to be valid. The subcommittee was informed of their objections and the reasons therefor. Discounting these objections, the subcommittee issued the subpoena in question. Appellant requested postponement of the return date of the subpoena in order to give the Governors an opportunity to meet with the subcommittee and discuss their objections but the subcommittee refused the postponement.

After being denied the opportunity to appear before the subcommittee, the Governors wrote identical letters to their respective representatives on the board of commissioners of the authority, instructing them to direct appellant not to comply with the subpoena. The board of commissioners so directed appellant on June 27, 1960. Two days later, on June 29, 1960, the subcommittee met to receive the return of the subpoena. It was against this background that appellant refused to comply with the demands of

the subpoena<sup>2</sup> and was ruled in default by the chairman of the subcommittee. Thereafter, the subcommittee recommended to the full committee that appellant be cited by the House for contempt. This recommendation was adopted by the Judiciary Committee, two members dissenting, and subsequently by the House itself. Charged by information, appellant waived his right to jury trial and was convicted of contempt of Congress by District Judge Youngdahl.<sup>3</sup>

Appellant advances several arguments in support of the position that his conviction cannot stand. For present purposes, to illustrate the constitutional issues we would have to decide in order to affirm the conviction, we list but two of his arguments:

1. That Congress does not have the power, under the compact clause of the Constitution, to "alter, amend or repeal" its consent to an interstate compact, which was the stated purpose of the subcommittee's investigation.

2. That "the subpoena issued by the subcommittee, demanding documents relating to the internal administration of the port authority which the Governors of New York and New Jersey ordered appellant not to produce [was] an unconstitutional invasion of powers reserved to the States under the 10th amendment to the Constitution."

Because of the view we take of this case, appellant's first contention demands some elaboration. In granting its consent Congress can attach certain binding conditions, not only to its consent to the admission of a new State into the Union,<sup>4</sup> but also to its consent to the formation of an interstate compact.<sup>5</sup> However, the vital condition precedent to the validity of any such attached condition is that it be constitutional. If Congress does not have the power under the

\* Appellant's refusal to comply with the subpoena was only partial. The subpoena as issued is reported here in its entirety, the bracketed portions representing those documents actually produced, and unbracketed portions representing those that were refused:

"(1) [All by-laws, organization manuals, rules and regulations;]

"(2) [Annual financial reports;] internal financial reports, including budgetary analyses, post-closing trial balances, and internal audits; and management and financial reports prepared by outside consultants;

"(3) All agenda [and minutes] of meetings of the Board of Commissioners and of its committees; all reports to the Commissioners by members of the executive staff;

"(4) All communications in the files of the Port of New York Authority and in the files of any of its officers or employees including correspondence, interoffice and other memoranda and reports relating to:

"(a) the negotiation, execution and performance of construction contracts; negotiation, execution and performance of insurance contracts, policies and arrangements; and negotiation, execution and performance of public relations contracts, policies and arrangements;

"(b) the acquisition, transfer and leasing of real estate;

"(c) the negotiation and issuance of revenue bonds;

"(d) the policies of the Authority with respect to the development of rail transportation."

The demands of the subpoena encompassed the period from Jan. 1, 1946, to June 15, 1960.

<sup>1</sup> For a scholarly analysis of the factual setting of this case, we refer to the detailed delineation found in the opinion of District Judge Youngdahl, 195 F. Supp. 588 (1961).

<sup>2</sup> *United States v. Sandoval*, 231 U.S. 28 (1913).

<sup>3</sup> *Petty v. Tennessee-Missouri Bridge Commission*, 359 U.S. 275 (1959).

Constitution, then it cannot confer such power upon itself by way of a legislative fiat imposed as a condition to the granting of its consent.<sup>6</sup>

In the present case, therefore, Congress' express reservation of the right "to alter, amend or repeal" its initial consent to the creation of the authority is meaningless unless Congress has the power under the Constitution "to alter, amend or repeal" its consent to an interstate compact. The compact clause of the Constitution does not specifically confer such power upon Congress. No case has been cited to us, nor have we been able to find any case through our own research, holding that Congress has such constitutional power. Nor do we find any to the contrary. Since no such power appears expressly in the compact clause, any holding that it exists and that Congress possesses it must be predicated on the conclusion that it exists as an implied power.

We have addressed ourselves at some length to this issue in order to show the gravity of passing upon even only one of the constitutional questions posed by this case. Moreover, in view of appellant's argument that the plenary powers specified in and by the Constitution are more than sufficient to enable Congress to protect, supervise, and preserve all Federal interests affected by the existence of interstate compacts, we are even less inclined to reach the constitutional issues involved here. We have no way of knowing what ramifications would result from a holding that Congress has the implied constitutional power to alter, amend, or repeal its consent to an interstate compact. Certainly, in view of the number and variety of interstate compacts in effect today, such a holding would stir up an air of uncertainty in those areas of our national life presently affected by the existence of these compacts. No doubt the suspicion of even potential impermanency would be damaging to the very concept of interstate compacts.

Appellant argues that congressional consent becomes irrevocable once it is given under the compact clause since Congress thereby removes the constitutional ban against the formation of interstate compacts and thus, to that extent, restores the States to the inherent sovereignty they enjoyed prior to the adoption of the Constitution. This does not mean that once congressional consent is obtained the particular compact becomes a law unto itself, immune by reason of its autonomy from future congressional supervision. It simply means that the States are restored to that much of their original sovereignty as would permit them to enter into compacts with each other. To this extent, and to this extent alone, does congressional consent restore them to sovereignty, sovereign in the narrow sense of being free to conclude an interstate compact, not sovereign in the broad sense of being free of the Constitution.

Accordingly, if a particular compact happens to be operational in nature (as exemplified by the compact creating the authority) as opposed to one static in nature (as exemplified by an agreement to settle a disputed boundary line, an act which necessarily dies at the moment of its birth), Congress is not without power to control the conduct of the former. Under our system of government the Constitution is paramount, and the Constitution gives to Congress certain plenary powers, as for example, those in the field of interstate commerce and that of national defense. With the choice of acting pursuant to any or all of these plenary powers continuously available to it, Congress has at its disposal abundant authority to supervise and regulate the activities of operational compacts in such a way as to insure that no violence is done by these

<sup>1</sup> Art. I, sec. 10-3, of the Constitution reads in pertinent part: "No State shall, without the Consent of Congress . . . enter into any Agreement or Compact with another State."

<sup>6</sup> *Cf. Coyle v. Smith*, 221 U.S. 559 (1911).



compacts to more compelling Federal concerns.

Appellant argues, in short, that Congress can adequately protect every interest that needs such protection because of the existence of an operational compact without, in doing so, being forced to the extremity of rescinding its consent under the compact clause, an action which appellant contends Congress has no constitutional power to perform.

Appellant's assertion in this respect is not unpersuasive, since a holding that Congress has the constitutional power to "alter, amend, or repeal" its consent under the compact clause can hardly be stated as a proposition of universal applicability. A line marking the boundary between two States, initially drawn by such States acting pursuant to an interstate compact, could hardly be erased at some later date by Congress enactment of hindsight legislation purporting to repeal its consent to the compact by which such boundary was initially determined. See the discussion in *Hinderlider v. LaPlata River Co.*, 304 U.S. 92 (1938), and cases cited therein.

In other words, appellant seeks to distinguish the ways in which congressional control over an operational compact may be properly exercised; he argues that control undertaken pursuant to the plenary powers is licit, whereas control attempted in the sense of withdrawing consent under the compact clause is illicit.

Let this distinction be looked upon as nothing more than a quibble, a mere academic distinction of a nicety too refined to be noticed outside an ivory tower, it must be remembered that this case comes to us by way of a criminal conviction.<sup>7</sup> It must be borne in mind, therefore, that appellant is entitled to all of the safeguards which our system of criminal jurisprudence assures him, not the least of which is that he not be convicted in a general rush to vindicate matters actually collateral to the crime for which he stands accused. Indeed, the present case is a classic example of how this very danger arises.

Appellant is no criminal and no one seriously considers him one. He stands before us convicted of crime merely because no method has been provided for testing the merits of his contentions save that of a prosecution for contempt of Congress. It is truly unfortunate that his choice was so restricted as to the presentation of his case, for it places us in the posture of being asked to answer broad questions of civil law within the framework of reviewing a criminal conviction. Undoubtedly the questions presented to us properly demand resolution, but we should not and cannot permit this appeal for answers to blind us to our duty of administering criminal justice according to traditional concepts. It must be remembered that what we decide in this case will be precedent for another, and far too often has the rashness of today begotten the regrets of tomorrow to induce us to tread unsanctioned byways of criminal adjudication merely because the setting of a particular appeal suggests the expediency of such a course. In short, we decide this case as we

<sup>7</sup> Regardless of what Congress might have done or how Congress might have approached the instant problem, we are bound by what Congress in fact did so. Since the jurisdiction of the subcommittee that issued the subpoena in question is derived from the compact clause, and since the stated purpose of the subcommittee's investigation was to determine whether Congress should "alter, amend, or repeal" its consent to the compacts that established the authority, the distinction under discussion not only is not a play on words—it is an essential dividing line between appellant's guilt or innocence of criminal conduct.

would any other criminal appeal. It is with these considerations in mind, therefore, that we approach the disposition of the present controversy.

A contempt of Congress prosecution is not the most practical method of inducing courts to answer broad questions broadly. Especially is this so when the answers sought necessarily demand far-reaching constitutional adjudications. To avoid such constitutional holdings is our duty, particularly in the area of the right of Congress to inform itself. *United States v. Rumley*, 345 U.S. 41 (1953). Consequently, when Congress authorizes a committee to conduct an investigation, the courts have adopted the policy of construing such resolutions of authority narrowly, in order to obviate the necessity of passing on serious constitutional questions. *Watkins v. United States*, 354 U.S. 178 (1957); *Brewster v. United States*, 103 U.S. App. D.C. 147, 255 F. 2d 899, cert. denied, 358 U.S. 842 (1958).

Accordingly, the first issue we must decide is whether Congress gave the Judiciary Committee of the House (and therefore its Subcommittee No. 5) authority sufficient to permit the subcommittee to conduct the sweeping investigation undertaken in the instant case. The authority pointed to as validating the present investigation was conferred by the House upon the Judiciary Committee in piecemeal fashion:

The Legislative Reorganization Act of 1946 granted to the Judiciary Committee authority over 19 subjects, including "interstate compacts generally" (60 Stat. 812, 826-827; rule XI (1)). In 1959 the committee was given subpoena power to conduct "full and complete investigations and studies relating to [certain stated matters] coming within the jurisdiction of the committee" (H. Res. 27, 86th Cong., 1st sess. (1959)). As this last grant of authority did not encompass interstate compacts, it was amended on June 1, 1960, to include "the activities and operations of interstate compacts" (H. Res. 530, 86th Cong., 2d sess. (1960)). Putting these resolutions of authority together, we find that the committee was given jurisdiction over "interstate compacts generally," and the power "to conduct full and complete investigations and studies relating to . . . the activities and operations of interstate compacts."

The authority thus granted to the committee is couched in general terms. In the present case the committee stretched these general terms in order to justify about as specific an investigation of the Port of New York Authority as can be envisaged. We are inclined to believe the House did not intend these general terms to be stretched quite so far. While it is true that the Judiciary Committee for many years did have specific jurisdiction over "interstate compacts generally," its traditional activity with respect to this jurisdiction was entirely foreign to an investigation of the kind and scope attempted here. So in this respect the present case is the antithesis of the Supreme Court's decision in *Barenblatt*,<sup>8</sup> where the particular committee's authorization was found in the long history of congressional acquiescence in that committee's work.

In the present case, the very fact that Congress had never before attempted such an expansive investigation of an interstate compact agency—an investigation, by its very nature, sure to provoke the serious and difficult constitutional questions involved here—leads to the conclusion that if Congress had intended the Judiciary Committee to conduct such a novel investigation it would have spelled out this intention in words more explicit than the general terms found in the authorizing resolutions under

<sup>8</sup> *Barenblatt v. United States*, 360 U.S. 109 (1959).

consideration.<sup>9</sup> In any event, general terms are usually susceptible of differing interpretations. And so, in view of the fact that we consider it our duty to avoid, if possible, constitutional adjudication, we read these authorizing resolutions to mean that the Judiciary Committee was empowered to conduct an investigation calling for documents relating to actual "activities and operations" of the Authority rather than for all of the administrative communications, internal memorandums, and other intra-Authority documents demanded by the subpoena in question. *Brewster v. United States*, supra. Cf. *United States v. Rumley*, supra. And see *United States v. Kamin*, 136 F. Supp. 791 (Mass. 1956). Therefore, we think the subcommittee's investigative authority, as thus construed, was exhausted by the information actually tendered by appellant in compliance with the subpoena, for such information adequately disclosed all that the authority had done in the areas under inquiry. The information refused to the subcommittee related only to the why of authority activity and, consequently, was outside the scope of the subcommittee's authority to investigate.<sup>10</sup>

We feel inclined to add a few words in conclusion. If Congress should adopt a resolution which in express terms authorizes and empowers the committee and its duly authorized subcommittee to initiate an investigation of the Port of New York Authority as deep and as penetrating as the one attempted here, a challenge of the congressional power so to provide would of course present constitutional issues which we should have to meet and decide. Therefore, we emphasize that all we are saying here is that a due regard for the responsibility of administering justice prompts us to avoid serious constitutional adjudications until such time as Congress clearly manifests its intention of putting such a decisional burden upon us.

Especially do we say this in view of the unusual nature of the present case, where we are asked to decide essentially civil and jurisdictional issues at the same time that we establish criminal precedent. The conflicting duality inherent in a request of this nature is not particularly conducive to the giving of any satisfactory answer, no matter what the answer should prove to be. Should this controversy be resumed, it is hoped that Congress will first give sympathetic con-

<sup>9</sup> In arriving at our conclusion in this respect, we have been particularly impressed by the absence of any truly enlightening or informative floor discussion in Congress at the time the instant authority was sought by and granted to the Judiciary Committee concerning the use in depth that was expected to be made of it. This want of explanation is especially striking in light of the fact that no such massive investigation of a compact agency had ever been initiated by Congress before. We think the respect to which Congress is legitimately entitled supports the conclusion that it would not signal its approval of a decision of such magnitude in the delicate area of Federal-State relationship without a clearer expression of its understanding of what it was doing than is reflected by the instant case.

<sup>10</sup> That the power of a subcommittee having general jurisdiction over a subject must nonetheless be specifically spelled out in particular instances has been made abundantly clear in many expressions by the Supreme Court. The contempt of Congress cases, in whatever posture the problem be posed, underscore this thought. [See, for example, *Russell v. United States*, and related cases, decided by the Supreme Court May 21, 1962.] Basically the proposition may be simply stated. There can be no "constructive" offenses. *United States v. Resnick*, 299 U.S. 207, 210 (1936).

sideration to Judge Youngdahl's eloquent plea:

"During the House debate on the contempt citation, the Committee inserted in the CONGRESSIONAL RECORD a memorandum purporting to show that declaratory judgment procedures were not an available means for procuring judicial resolution of the basic issues in dispute in this case. Although this question is not before the court, it does feel that if contempt is, indeed, the only existing method, Congress should consider creating a method of allowing these issues to be settled by declaratory judgment. Even though it may be constitutional to put a man to guessing how a court will rule on difficult questions like those raised in good faith in this suit, what is constitutional is not necessarily most desirable. Especially where the contest is between different governmental units, the representative of one unit in conflict with another should not have to risk jail to vindicate his constituency's rights. Moreover, to raise these issues in the context of a contempt case is to force the courts to decide many questions that are not really relevant to the underlying problem of accommodating the interest of two sovereigns" (195 F. Supp. at 616-617).

Reversed.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Would you consider the other alternative, since you contend that Congress has no jurisdiction, to introduce a bill to repeal the New York Port Authority? Then we will not have to worry about it at all.

Mr. LINDSAY. Of course, the gentleman was one of the most aggressive Members in his attack upon the port authority.

Mr. ROGERS of Colorado. Yes, I was.

Mr. LINDSAY. The gentleman, coming from Colorado, took it upon himself to be one of the leaders in the fight to cite for criminal contempt these three distinguished public servants from the States of New Jersey and New York. And, if the gentleman will read the opinion of the court of appeals—I do not know whether he has or not, but if he will read it, he will find that it is a very doubtful proposition that the Congress does have the right to amend the terms upon which it consented to the compact, or to withdraw consent for that matter.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I yield.

Mr. ROGERS of Colorado. First of all may I state that I did take an active part, as a member of the subcommittee, because I felt that the action taken by certain members of the port authority, particularly the executive secretary, the executive officers, was contemptuous of the Congress of the United States, because they did not and would not cooperate so that anybody could find out what they were doing and how they were doing it, with the result that if we are going to have any respect for congressional action, I think at least the people who are subpoenaed should have some respect rather than disrespect in bringing in certain books and saying, "You can have this, and that is all you are going to get." That is exactly what Mr. Tobin did.

Mr. LINDSAY. It is a very good thing, indeed, that we have a court structure in this country and that we have a third branch of Government, namely, the judicial.

It is the judicial branch, as demonstrated in this case, that upon occasion must protect the individual from unwarranted, illegal, and aggressive actions of the legislative branch that occasionally occur. The same may be said of aggressions on the part of the executive branch. The court in this case held that the legislative branch, which includes the gentleman from Colorado [Mr. ROGERS], had exceeded the bounds of legality and reversed it.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I yield to the gentleman.

Mr. ROGERS of Colorado. Well, what would the gentleman think of the proposition that we repeal these statutes that deal with contempt of Congress, and not send them to the court for action, but proceed to hold them in contempt of Congress in the Chamber itself?

Mr. LINDSAY. I will not go along with that. I will go along with the proposition that has been suggested that you establish a special committee in the House, to assess this problem of contempt in an objective way. In other words, take the power of citing for criminal contempt away from the committee that has jurisdiction of the subject matter that is in controversy. Otherwise, there is danger of having a purely kangaroo court. The Judiciary Committee should not have been the committee to decide whether or not Mr. Tobin was in criminal contempt of Congress. The Judiciary Committee had a fight with Mr. Tobin. It was not a disinterested committee.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I yield further to the gentleman.

Mr. ROGERS of Colorado. The Judiciary Committee did not make the decision with reference to the contempt of Mr. Tobin. He himself made it.

Mr. LINDSAY. Oh, no, no, I will say to my good friend, the gentleman from Colorado.

Mr. ROGERS of Colorado. Why, sure he did.

Mr. LINDSAY. No. The gentleman knows perfectly well that Mr. Tobin did his best to cooperate. You went after him improperly.

Mr. ROGERS of Colorado. I was on the Judiciary Committee when Mr. Tobin came down in 1952 and 1953 complaining that one of the Members from New Jersey had introduced a resolution to repeal the port authority, and our distinguished chairman then listened to him and gave him all the courteous consideration that was possible. We expected to have the same kind of consideration and at least courteous treatment from the port authority when we wanted to take a look at certain books.

Mr. LINDSAY. The gentleman got all the courteous treatment in the world

from the New York Port Authority. They brought in truckloads of material pursuant to the request of the Congress.

Mr. ROGERS of Colorado. If the gentleman will yield further, the gentleman will admit that Mr. Tobin did not bring what was requested, will he not?

Mr. LINDSAY. Naturally; and he was right—that is why the court sustained the action.

Mr. ROGERS of Colorado. However, we have the right to issue a subpoena to produce, and if he does not comply with it, what does that action constitute?

Mr. LINDSAY. That is why I took the floor this afternoon, to suggest that, according to the suggestion made by Judge Youngdahl, endorsed by three judges of the court of appeals, that a procedure be established here which will avoid the necessity of having to test a question of this kind through the criminal process.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I am sure that the gentleman would agree that this is a constructive suggestion which the gentleman from New York is making, and one that should be seriously considered by the Congress.

Mr. ROGERS of Colorado. Will the gentleman yield further?

Mr. LINDSAY. I yield to the gentleman.

Mr. ROGERS of Colorado. Would the gentleman have any objection to the matter being taken to the Supreme Court so we could have a final determination thereon?

Mr. LINDSAY. No; of course not.

Mr. ROGERS of Colorado. Does the gentleman think the Congress should proceed before the Supreme Court of the United States?

Mr. LINDSAY. Oh, yes; insofar as this procedure is concerned; insofar as the question as to whether or not the Congress should consider the drafting of a statute which will permit a matter of this kind to be tested in the future by "declaratory judgment" procedures. There is no reason why we should wait. Whether the Supreme Court sustains the court of appeals or not, or declines to review, has nothing to do with the wisdom of the procedure. In fact, if the Supreme Court sustains the court of appeals one substantial reason could be because the Court finds the procedure unwholesome.

Mr. ROGERS of Colorado. Does not the gentleman think that if the Supreme Court should sustain Judge Youngdahl in his decision that the precedent has then been established, and we do have authority to proceed in the manner in which we did?

Mr. LINDSAY. Of course, but that does not necessarily mean that the manner is the best, or that we should not have an alternative, to use in our discretion.

Mr. ROGERS of Colorado. The gentleman just got through talking about the authority of the Government, did he not?

Mr. LINDSAY. Supposing the Governor of the gentleman's State is asked to comply with certain subpoenas and other requests to appear before a con-



gressional committee, and the Governor of the gentleman's State should say, "Well, I am delighted to do whatever is necessary to bring the State of Colorado within the orbit of a proper investigation"? But we think that these aspects of the Congress request are beyond the line, and we do not comply.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I yield.

Mr. ROGERS of Colorado. Did this committee subpoena the Governor of New York or the Governor of New Jersey?

Mr. LINDSAY. No; they did not.

Mr. ROGERS of Colorado. Really, then, the gentleman is begging the question.

Mr. LINDSAY. No; I am not begging the question at all.

Mr. ROGERS of Colorado. The man we subpoenaed was the executive secretary, and we also subpoenaed the two members of the port authority, not the Governor of New York or the Governor of New Jersey. When the gentleman talks about the Governor being subpoenaed, he is begging the question.

Mr. LINDSAY. The gentleman from Colorado is begging the entire question that I am raising here, I will say to him.

Mr. ROGERS of Colorado. No, no. I do not see how the gentleman can say that, because he is talking about contempt of the Congress, is he not?

Mr. LINDSAY. I will say to my friend here that he knows perfectly well that the three men who were cited by Congress were acting under specific instructions of the Governors of their States, the Governor of New York and the Governor of New Jersey, as their agents and their appointees.

Mr. ROGERS of Colorado. Let us go a little further. Does the gentleman know what Mr. Tobin said to the Governor of New York and the Governor of New Jersey to get them to sign the letter that they sent down here? Does the gentleman know that Mr. Tobin approached them and asked them to sign the letter?

Mr. LINDSAY. Does the gentleman deny that the Governor of New York and the Governor of New Jersey sent letters to the three gentlemen the Congress held in criminal contempt, instructing them not to comply with certain parts of this subpoena on the grounds that these demands were beyond the constitutional powers of the Congress? All I am suggesting is that there is a better way to handle this matter. And will the gentleman be so kind as to tell me whether or not he will assist me in working out a better procedure?

Mr. ROGERS of Colorado. As far as I am concerned, the proper procedure was recognition of this independent branch of Government, the legislative branch. The gentleman has talked about the three parts of the Government. This was a denial of the right of the legislative branch to ascertain information they were entitled to receive.

Mr. LINDSAY. Just because the gentleman is a Member of Congress, and a very good Member of Congress, he

should not lose sight of the fact that there are other parts of our Government than the legislative branch; and thank heavens there are, because if the Congress at times is not checked from the wonderful righteousness of its Members, then God help us all. We need the courts. And this is one of the best examples I have seen why we need the courts.

Mr. ROGERS of Colorado. Does the gentleman think the Congress should not have the right to issue a subpoena and investigate matters that have been assigned to them under the Constitution?

Mr. LINDSAY. The point of this is that this criminal procedure was the only procedure that could be followed to test the question; and even the distinguished chairman of the Judiciary Committee whom the gentleman from Colorado was following in his attack upon the port authority, I think would agree with me that it is unfortunate that this is the only procedure we have got.

Mr. ROGERS of Colorado. May I point out that the chairman of the Judiciary Committee was not making any attack upon the Port Authority; that what was given to the chairman of the Judiciary Committee is what may be given to the gentleman as his duty and responsibility as a Member of Congress that he is expected to carry out when he takes his oath. That is what happened to the chairman of the Judiciary Committee. And when he perceived his duties and proceeded to perform them, now the gentleman wants to cut him off and say, "You shall stop at this point because I do not want anything done to Mr. Tobin and the New York Port Authority." That is what it amounts to.

Mr. LINDSAY. I cannot take the gentleman seriously when he talks this way. How can the gentleman be serious when he is talking this way? Nobody is suggesting that the Congress is going to be cut off from anything.

Mr. ROGERS of Colorado. That is exactly what happened here when Mr. Tobin and the other two men—incidentally, only Mr. Tobin was indicted. I do not know what happened, but the Congress of the United States directed the Attorney General to proceed with the prosecution of three men, and he wound up with prosecuting only one.

Mr. LINDSAY. And the gentleman was thoroughly disappointed that they did not go after the distinguished Commissioners?

Mr. ROGERS of Colorado. They are just as much entitled to be prosecuted as Mr. Tobin, because they stood in defiance of Congress. The gentleman as a Member of Congress was under the duty and obligation to perform his own duty. When the chairman of my committee and the gentleman's committee performed that duty, then why should the gentleman now move in and cut off his right arm and say that he should not do his duty and investigate those things that have been assigned to him?

Mr. LINDSAY. This is unbelievable.

Mr. ROGERS of Colorado. What is unbelievable?

Mr. LINDSAY. The gentleman is suggesting that the U.S. Congress, right or wrong, should be sustained at all costs.

The gentleman overlooks and refuses to acknowledge the fact that the Congress exceeded its bounds in this case, and was reversed by a unanimous court. That is exactly, in my judgment, the way it should have been.

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. RILEY (at the request of Mr. ALBERT), for Friday, June 22, through Wednesday, June 27, on account of official business.

Mr. DULSKI (at the request of Mr. O'BRIEN of New York), for Friday, Monday, and Tuesday, June 22, 25, and 26, on account of official business.

Mr. CAREY (at the request of Mr. O'BRIEN of New York), for Friday, June 22, 1962, on account of official business.

#### SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. LINDSAY (at the request of Mr. DERWINSKI), for 30 minutes on June 22.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. EDMONDSON and to include extraneous matter.

Mr. BAKER and to include an analysis of the Herlong-Baker tax bills.

Mr. HARRIS and to include extraneous matter in his remarks in the Committee of the Whole on H.R. 11643.

(The following Members (at the request of Mr. HAGAN of Georgia) were granted permission to revise and extend their remarks in the CONGRESSIONAL RECORD and to include extraneous matter:)

Mr. GIAIMO.

Mr. HARRISON of Virginia.

Mr. TOLL.

(The following Members (at the request of Mr. DERWINSKI) were granted permission to revise and extend their remarks in the CONGRESSIONAL RECORD and to include extraneous matter:)

Mr. DEROUNIAN.

Mr. GOODLING.

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3225. An act to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks

of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes; to the Committee on Agriculture.

#### THE LATE HONORABLE FRANCIS CASE

The SPEAKER pro tempore. The Chair recognizes the gentleman from South Dakota [Mr. REIFEL].

Mr. REIFEL. Mr. Speaker, we in South Dakota have lost a brilliant statesman and beloved son in the sudden death this morning of Senator FRANCIS CASE. The Nation is denied the continued services and further labors of a dedicated servant of all the people.

As a distinguished Member of the House of Representatives for seven consecutive terms beginning in 1936 and for 11½ years in the other body, Senator CASE served his State and Nation longer in public office than any other man in the history of our State.

With a sense of obligation that bordered on consecration, he devoted himself to his work, for his beloved South Dakota, and our America. All who knew and admired him, as did Mrs. Reifel and I since our first associations with him in 1933, recognized his immense talents, capacity for service and tremendous record of accomplishment.

The proud record of Missouri River development with its dams and lakes is but one of many lasting memorials to his name and effectiveness. Above all, he was a man of integrity and honor and a dedicated student of government in keeping with the highest standards of public service.

His well-deserved reputation for honesty was pointed up dramatically in 1956 when he courageously rejected a money gift which might have been interpreted as influencing a key vote.

In the field of legislation he had few peers when it came to public works, particularly flood control projects and highways. In addition to being chief legislative architect of Missouri River development, he was one of the fathers of the nationwide Interstate Defense Highway System.

Senator CASE was recognized nationally as a pioneer in the now widely acclaimed desalination program to convert sea or brackish water into fresh water as an answer to our Nation's rapidly diminishing water supplies.

Equally active in the field of reclamation, he was responsible for numerous irrigation projects across South Dakota and the Nation. He believed fervently that water and soil are among our greatest blessings and should be placed in the highest possible productive use for the benefit of present and future generations. He pioneered legislation in the field of weather research and cloud modification.

Some of his best known legislative acts include the Case-Wheeler Water Conservation Act of 1937 and 1940; Renegotiation of Excess War Profits, 1942,

which has saved the taxpayers of this Nation many billions of dollars; Government Corporations Control Act, 1945; United Nations Invitation to the United States, 1945; Case labor relations bill, 1946, and Synthetic Liquid Fuels Act, 1948.

In addition, he was active in behalf of appropriations to implement the 70-group Air Force and as a member of the Senate Armed Services Committee was a fervent believer in the principle of a strong deterrent as a means of keeping the peace.

Senator CASE introduced the first legislation to dispose of surplus farm commodities in exchange for foreign currencies, the prelude to the food-for-peace program which he cosponsored.

Recently he received an overwhelming vote of confidence from the people of South Dakota in gaining approximately 85 percent of the vote cast in the primary to renominate him for a third Senate term.

On behalf of my colleague, the Honorable E. Y. BERRY, today, and on behalf of all the people of South Dakota, I extend to his family and dedicated staff our deepest sympathy and condolences. And I know the House joins in this expression of sincere sorrow at this great loss.

Mr. Speaker, I ask unanimous consent that I may include the remarks of the gentleman from South Dakota [Mr. BERRY] at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BERRY. Mr. Speaker, the Nation suffered a serious shock in the death this morning of one of its most beloved and outstanding statesmen, Senator FRANCIS CASE.

The shock suffered by the Nation, however, can in no way be compared to the severe loss suffered by the people and the State of South Dakota. A great public servant has been stricken—his State and Nation mourn.

During his 14 years in the House of Representatives and 12 years in the U.S. Senate, FRANCIS CASE has established a record of accomplishment that shall live on as a lasting memorial to his tireless efforts.

A soldier, a citizen, and a statesman, FRANCIS CASE gave his life in the preservation of constitutional government, in the preservation of the principles of this great Republic, and in defending the right and privilege of the individual.

FRANCIS CASE feared and fought concentration of power in the hands of a few. He believed the Republic could survive only so long as the individual was free from government regulation and control and unfettered by the chains of burdensome taxation.

His tireless efforts were always directed to a full understanding of all legislation and the effect it would have upon these basic American principles.

He was a close student of parliamentary procedures. Few Members of Congress have ever maintained a better understanding of all legislation and

successfully provided more amending suggestions for improvement of legislation than FRANCIS CASE.

His constant interest was always his home State of South Dakota and the improvement of conditions in that State.

A great student, a careful legislator, a devoted family man, this great American statesman will be sorely missed by his State, his Nation, and his colleagues.

His colleagues in both the House and the Senate join me in extending deep and sincere sympathy to his widow, his daughter, and granddaughter, his surviving sisters and brother in this hour of bereavement.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. REIFEL. I yield.

Mr. CHENOWETH. I was greatly saddened when I heard this morning of the untimely passing of Senator CASE. I first learned of his illness last night. I attended a dinner at which Senator CASE was scheduled to be the principal speaker, but was unable to appear. I was informed he had been taken to the hospital yesterday evening, but his illness was not of a serious nature.

I want to extend my sincere sympathy to my colleagues from South Dakota in their great loss. The passing of Senator CASE is an irreparable loss not alone to the State of South Dakota but to the entire Nation.

I knew FRANCIS CASE before I came to the House. When I arrived in 1941 FRANCIS CASE was one of the outstanding Members of the House. He was a most diligent worker. I do not think I have ever seen a more painstaking Member of this House than FRANCIS CASE. He studied every bill that came to the floor and many times offered important amendments to these measures under consideration. He was conscientious in all of his work and was a keen student of all branches of our National Government. I considered him a most efficient legislator.

FRANCIS CASE was not only a very able and capable Member of Congress, but was also a great American. He believed in his country. He supported our Constitution and believed in the American way of life. He was always willing to fight for the principles he so ably advocated.

The fact that his constituents, the people of the State of South Dakota, time after time reelected him and honored him with high office is proof of the fact that his own people, who knew him best, recognized and appreciated his virtues and sterling qualities.

Mrs. Chenoweth joins me in extending our deep personal sympathy to Mrs. Case and to other members of the family.

Mr. REIFEL. I thank the gentleman from Colorado. I know the gentleman was a very good friend of the Senator we have lost.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. REIFEL. I yield to the gentleman.



Mr. DERWINSKI. Mr. Speaker, it was my privilege as a Member of the House to serve on two Interparliamentary Union groups with the Senator from South Dakota, Mr. CASE. As a result of that experience, I was able to observe his tremendous interest in the problems that face the Nation and his tremendous dedication to the principles of good government. I can truly say he set an example for all of us. He set an example of dedication to public service that was at the same time so typically American and which is too often taken for granted. We who worked with him in even a limited fashion in Washington, appreciated his tremendous dedication to the principles of our free enterprise economy and his well-deserved and respected reputation for personal integrity. He will be missed, and his passing is a loss not only to the citizens he so ably represented for a quarter of a century but to the entire Nation. Mrs. Derwinski and I wish to join the Members of the House in paying our respects to our late distinguished colleague, and extending our personal condolences to his family.

Mr. REIFEL. I thank my colleague.

Mr. MARSHALL. Mr. Speaker, will the gentleman yield?

Mr. REIFEL. I yield to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. May I take this opportunity to join with many others who express their sympathy over the passing of Senator CASE.

Senator CASE was a Member of this body when I first came to the Congress. He was a diligent, hard-working Member of this body. He was always courteous and it was always a pleasure for me to work with him on a number of occasions. I always found him to be sympathetic and a person who believed in doing everything possible for the welfare of his people.

The people of South Dakota have lost a great Senator. The United States has lost a great American.

I wish to extend sympathy to Mrs. Case and the family in the loss of this great and splendid man.

Mr. REIFEL. I thank the gentleman from Minnesota for his remarks of appreciation and sympathy.

Mr. Speaker, I would advise the membership that the funeral service will be held at 2 p.m. on Sunday, June 24, at the Metropolitan Memorial Methodist Church, New Mexico and Nebraska Avenues NW. The service in Rapid City, S. Dak., will be at 2 p.m. on Tuesday, June 26. The body will lie in State at Gawler's Funeral Home, 1756 Pennsylvania Avenue NW, until tomorrow, June 23.

Mr. HALLECK. Mr. Speaker, as one who had known FRANK CASE since he first came to this Chamber as a Representative from South Dakota in 1936, I was deeply shocked to learn of his death this morning.

I knew him as an extremely hard working, conscientious Member and I came to admire him for his determination, his courage, and his unquestioned integrity.

Beyond that, may I say in all my time in the Congress of the United States I have never known a colleague who was more fair or considerate in his dealing with his associates.

FRANK CASE made substantial contributions to the legislative history of the Congress in many fields during his service in both bodies. His work here was characterized by a thoroughness of preparation that was nothing short of remarkable. It reflected his willingness to spend long and tiring hours of research into the many assignments that came his way.

I think the record of FRANK's majorities in succeeding elections during the terms of his office in the House are the best evidence of the confidence the people of South Dakota had in this fine public servant.

Starting his career with the barest of majorities, FRANK CASE at one stage was given nearly three-fourths of all the votes cast by the people he represented.

In the death of Senator CASE today the Nation has lost a dedicated American, our party has lost a vigorous champion, and I have lost a valued friend.

I extend my deepest sympathies to his bereaved family.

Mr. AUCHINCLOSS. Mr. Speaker, the Congress has lost a very capable and able American in the death of FRANCIS CASE, Senator from South Dakota. He had a most penetrating, inquisitive mind and with indefatigable zeal he would pursue a problem to its completion. He was always fair and did not reach a conclusion without painstaking examination of all the facts available.

He was one of the first Members I met when I came to Congress in 1942 and on many occasions I had discussions with him concerning matters of public interest. A warm friendship developed which lasted until his death and I am very conscious of the void in my life which his passing has created.

His high moral standards and his fearlessness in promoting that which is right was legend and his devotion to those principles which he believed in was an inspiration to all his friends. My heartfelt sympathy goes to his family in this hour of their bereavement.

Mr. DAGUE. Mr. Speaker, the sad word of the untimely passing of the distinguished Senator from South Dakota has brought sorrow to the hearts of all of his former colleagues of the House and we are joined with his host of friends in mourning the passing of this warm-hearted and dedicated public servant.

FRANCIS CASE was a Member of the House when I came here and his stature as a legislator of ability was well established. It must be recognized, however, that Members of Congress are impressed as much by human traits as they are by a display of legislative acumen and the popularity of Mr. CASE rested largely on his warmhearted nature together with his complete accessibility to both his colleagues and his constituents.

Throughout the membership of both Houses of the Congress, as well as among

the several committee staffs, are a number of former and Reserve members of the U.S. Marine Corps. An honored member of this group was our late lamented friend and colleague from South Dakota and it was this service comradeship that brought us even closer in the common identity of having served the Nation in both peace and war.

We shall miss this genial friend who has gone on to answer that celestial summons and we are pledged to keep his memory forever green. We are mindful, too, of those loved ones who must carry on alone and we shall petition the Master to sustain and comfort them in their hour of sorrow and desolation.

Mr. WEAVER. Mr. Speaker, it was with genuine shock and regret that I learned of the passing of our good friend and great statesman, the Honorable FRANCIS CASE, Senator from South Dakota. His death will create a void hard to fill in the lives and memories of those who knew him.

Senator CASE was a man of courage and vision, an able and astute leader in his State and in the great Midwestern Plains area. He served his constituents long and well and was universally respected and liked by those who knew him, worked with him, and even among those who from time to time opposed him in the political wars.

Mr. Speaker, the State of South Dakota and the American people have lost a fine and devoted friend and servant. His colleagues in the Congress have lost and do now mourn the passing of a good friend.

Mrs. Weaver joins me in expressing sympathy to Senator CASE's family.

Mr. SHORT. Mr. Speaker, it has not been my privilege to enjoy a close acquaintance with Senator FRANCIS CASE. I have, however, heard for many years favorable comments regarding the work of FRANCIS CASE, who served our neighboring State of South Dakota, first as U.S. Representative and later as a U.S. Senator.

It is interesting to note that comments relative to the activity of this distinguished Member of our National Congress invariably emphasize that he was a fearless defender and proponent of what he considered to be right. As anyone in politics knows, this is not always a popular position. Senator CASE, however, never was one to deviate, because of the immediate political considerations, from a course which he considered to be in the best interest of the welfare of our country.

It was with deep regret that we learned of the sudden death of the Senator. His advice and counsel will be sorely missed in the Halls of Congress, and the people of South Dakota will miss his objective and effective representation.

I want to take this occasion to extend my sympathy to the members of the Senator's family.

Mr. BEERMANN. Mr. Speaker, on behalf of all Nebraskans I want to extend condolences to our sister State of South Dakota for her recent loss of an

eminent statesman, Senator FRANCIS CASE. Senator CASE, a newspaper publisher and rancher, began his career in Congress in 1936 when he was elected to represent the Second South Dakota District. So well was his constituency represented it saw fit to yield him its majority confidence so he was returned to that office for six additional terms.

Later, of course, the Senator sought election to the other body and on the basis of his past ability to accurately reflect the opinions of his people as a Representative, he was successful in obtaining that office. He was reelected in 1956, and even as this latest illness claimed his life, he was preparing once again to take his record to the people of his State for reapproval and confirmation.

These are some of the pertinent facts in the life of Senator CASE, but I would point out for my colleagues that often a recital of facts does not tell the whole story. All of us are born, most are joined in wedlock, have issue, then die. Each occurrence is marked by date.

But as I have said, dates do not tell the story of the man. Rather, it is what occurred in the time between that provides the measure for greatness, and as I search the life of FRANCIS CASE, of South Dakota, I find many, many such instances that indicate here walked a man of wit, wisdom, and judgment.

Mr. Speaker, in the midwestern ranch country that marks my State, and the State of the deceased Senator, we have a phrase that is used to describe great men when we discover one among us; the term is sort of homespun, but deep in meaning. It goes like this: "There walks a mighty tall man."

I want to say that Senator FRANCIS CASE, of South Dakota, walked mighty tall in our midwestern country, earning that admiring description by his warmth of heart, generosity, and a willingness to listen to all.

Saying that, I can add but little more in tribute to this great career. South Dakota is a land of clear skies, open prairie, and rugged hills. It tends to develop its men in that fashion, open and free of all guile, big in spirit and rugged in defense of the principles that made these United States the great Nation that it is.

All these qualities were attributes of Senator FRANCIS CASE. We list them to serve as a guide star to others from his State who, seeing to height of greatness he achieved, will be encouraged to assume the responsibilities of public life and perhaps carry them forward to new limits of individual freedom.

Mr. CUNNINGHAM. Mr. Speaker, it was with shock and deep regret that we learned of the death of Senator FRANCIS CASE, of our neighboring South Dakota.

All of us in the Missouri River States have benefited from the work and interest of Senator CASE in flood control, agriculture, conservation, and the other areas which are so close and so important to our people. We have been grateful for having such a statesman from our part of the country.

We in Nebraska liked to feel that we had an extra Senator to join our two distinguished Members of the Senate, because we knew that FRANCIS CASE was interested not only in his State but what was good for all the farmers and businessmen and others in the Great Plains, throughout the Midwest and throughout the Nation and world.

Senator CASE was close to the people. They liked him. He served them well. His family and his State—his people—should be proud of him, and I hope they find solace in the respect which his memory will always bear.

"He who is greatest among you shall be your servant." Matthew 23: 11.

Mr. NELSEN. Mr. Speaker, Senator FRANCIS CASE, of South Dakota, is mourned by all the Nation, for his passing is truly an American loss.

Long before I came to Congress, the name of Senator CASE was known and honored in my own State of Minnesota, just as his honest and dedicated service was known and is known throughout the Midwest and throughout the Nation.

This great and diverse man—news-paper reporter, editor, soldier, rancher, and Senator of the United States—served in the House and Senate for more than a quarter of a century.

He worked unceasingly for betterment of the District of Columbia's residents; he worked for sound, economical public works legislation where it was needed—for highways, rural development, water conservation; for farmers and city dwellers alike.

Senator CASE was a man of honor, and a man who honored the truth above all.

We extend our deepest sympathy to Mrs. CASE and her daughter in this sad time of bereavement.

#### GENERAL LEAVE TO EXTEND

Mr. REIFEL. Mr. Speaker, I ask unanimous consent that all Members who so desire may have 5 legislative days in which to extend their remarks in the RECORD on the life, character, and public service of Senator FRANCIS CASE of South Dakota.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. REIFEL. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

*Resolved*, That the House has heard with profound sorrow of the death of the Honorable FRANCIS CASE, a Senator of the United States from the State of South Dakota.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

*Resolved*, That a committee of two Members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER pro tempore. The Chair appoints as members of the funeral committee the following Members of the House: Mr. BERRY and Mr. REIFEL.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

*Resolved*, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The resolution was agreed to.

#### ADJOURNMENT

Accordingly (at 3 o'clock and 8 minutes p.m.) under its previous order, the House adjourned until Monday, June 25, 1962, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2217. A letter from the Assistant Secretary of the Interior, transmitting a report covering all tort claims paid by the Department of the Interior during the fiscal year 1961, pursuant to 28 U.S.C. 2673; to the Committee on the Judiciary.

2218. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to repeal section 557 and to amend section 559 of the act entitled 'An act to establish a code of law for the District of Columbia,' approved March 3, 1901"; to the Committee on the District of Columbia.

2219. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend sections 281 and 344 of the Immigration and Nationality Act"; to the Committee on the Judiciary.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of Missouri: Committee on House Administration. House Joint Resolution 722. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress; without amendment (Rept. No. 1891). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. S. 3266. An act to amend section 2 of the act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes," approved March 3, 1925, as amended (2 U.S.C. 158), relating to deposits with the Treasurer of the United States of gifts and bequests to the Library of Congress and to raise the statutory limitation provided for in that section; without amendment (Rept. No. 1892). Ordered to be printed.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8738. A bill to amend sections 1 and 5b of chapter V of the Life Insurance Act for the District of Columbia; with amendment (Rept. No. 1894). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 9441. A bill to exempt life insurance companies from the act of February 4, 1913, regulating loaning of money on securities in the District of Columbia; with amendment (Rept. No. 1895). Referred to the House Calendar.



Mr. McMILLAN: Committee on the District of Columbia. S. 1834. An act to further amend the act of August 7, 1946 (60 Stat. 896), as amended, by providing for an increase in the authorization funds to be granted for the construction of hospital facilities in the District of Columbia; by extending the time in which grants may be made; and for other purposes; without amendment (Rept. No. 1896). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 9954. A bill to amend the act of June 6, 1924, chapter 270 (43 Stat. 463), relating to the National Capital Park and Planning Commission, as amended by the National Capital Planning Act of 1952 (66 Stat. 781; 40 U.S.C. 71); with amendment (Rept. No. 1897). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Seventeenth report on availability of information from Federal agencies; without amendment (Rept. No. 1898). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 707. Resolution for consideration of H.R. 11309, a bill to provide for continuation of authority for regulation of exports, and for other purposes; without amendment (Rept. No. 1903). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 708. Resolution for consideration of H.R. 11500, a bill to extend the Defense Production Act of 1950, as amended, and for other purposes; without amendment (Rept. No. 1904). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 709. Resolution for consideration of H.R. 11654, a bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; without amendment (Rept. No. 1905). Referred to the House Calendar.

Mr. NATCHER: Committee on Appropriations. H.R. 12276. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes; without amendment (Rept. No. 1906). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. S. 3063. An act to incorporate the Metropolitan Police Relief Association of the District of Columbia; without amendment (Rept. No. 1893). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 2176. A bill for the relief of Mr. and Mrs. Salvatore Mortelliti and son, Antonio Mortelliti; with amendment (Rept. No. 1899). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 3127. A bill for the relief of Amrik S. Warich; without amendment (Rept. No. 1900). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 4954. A bill for the relief of

Mirhan Gazarian; with amendment (Rept. No. 1901). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 11127. A bill for the relief of Ernst Haeusserman; with amendment (Rept. No. 1902). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H.R. 12265. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the county of Lincoln, State of Nevada; to the Committee on Interior and Insular Affairs.

By Mr. COOLEY:

H.R. 12266. A bill to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes; to the Committee on Agriculture.

By Mr. HALPERN:

H.R. 12267. A bill to provide civil remedies to persons damaged by unfair commercial activities in or affecting commerce; to the Committee on Interstate and Foreign Commerce.

H.R. 12268. A bill to increase the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness) from \$600 to \$900; to the Committee on Ways and Means.

By Mr. TUPPER:

H.R. 12269. A bill to provide health insurance benefits for aged individuals under the old-age, survivors, and disability insurance program, either in the form of payment for hospital services, skilled nursing home services, and home health services or in the form of payment for private health insurance benefits at the option of such individuals, and for other purposes; to the Committee on Ways and Means.

By Mr. NATCHER:

H.R. 12276. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes.

By Mr. KITCHIN:

H. Res. 704. Resolution to provide further funds for the expenses of the investigation and study authorized by House Resolution 403; to the Committee on House Administration.

By Mr. MURRAY:

H. Res. 705. Resolution to provide additional funds for the expenses of the investigations and studies authorized by House Resolution 75 of the 87th Congress; to the Committee on House Administration.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL:

H.R. 12270. A bill for the relief of Dr. Soonduk Park; to the Committee on the Judiciary.

H.R. 12271. A bill for the relief of Jose M. Angueira Francis; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.R. 12272. A bill for the relief of Dr. May Wing-Kim Lee; to the Committee on the Judiciary.

By Mr. MAGNUSON:

H.R. 12273. A bill for the relief of Arthur Mills; to the Committee on the Judiciary.

By Mr. RYAN of New York:

H.R. 12274. A bill for the relief of Esperanza Usana Bernabe; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H.R. 12275. A bill for the relief of Yee Nging-Foo (also known as Lee Mun-Wah and Wally Yee); to the Committee on the Judiciary.

By Mr. BAILEY:

H. Res. 710. Resolution providing for sending the bill (H.R. 12127) for the relief of the survivors of Justin E. Burton, together with accompanying papers, to the Court of Claims; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

367. By Mr. JENSEN: Petition of James L. Smalley, Post Commander and Carroll Hayes, Post Adjutant, the Atlantic AM-VETS Post No. 1, Atlantic, Iowa; to the Committee on Un-American Activities.

368. By the SPEAKER: Petition of Arthur A. Rodondi, city clerk, South San Francisco, Calif., relative to Federal income taxation of the interest derived from public bonds; to the Committee on the Judiciary.

## SENATE

FRIDAY, JUNE 22, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

Rt. Rev. Msgr. Daniel E. Sheehan, chancellor, archdiocese of Omaha, Omaha, Nebr., offered the following prayer:

O God, whose mercies are without number, and the treasure of whose goodness is infinite, we beg Your divine guidance in all our deliberations. May we proceed with charity and justice in our hearts, so that all our undertakings will begin in Your name, for it is only when a work is begun in Your name that it can be happily concluded.

Keep us in mind this day; and while we may become so busy that we forget You, please do not forget us. Evermore beseeching Your clemency, we ask that as You grant the petitions of those who ask of You, never forsake us, but grant us the courage in these ominous times to seek diligently and to obtain, with Your help, a strength and a propriety that ward off evil, and a peace which You alone can give. Amen.

#### THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 21, 1962, was dispensed with.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

## EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of William M. Rountree, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of the Sudan, which was referred to the Committee on Foreign Relations.

## MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1745) to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia, and it was signed by the Vice President.

## LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, let me state that it is contemplated that the Senate will be in session today for a very short period.

At this time I should like to state that, with the concurrence of my colleagues, we expect that at the conclusion of the session today the Senate will adjourn to meet at 10 o'clock a.m. tomorrow.

## AUTHORIZATION FOR FINANCE COMMITTEE TO FILE REPORT ON TAX EXTENSION BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Finance Committee be permitted to file its report on H.R. 11879, the tax-extension bill, notwithstanding the adjournment of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

## ADDITIONAL COSPONSORS FOR SENATE BILL 3457

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Minnesota [Mr. McCARTHY], I ask unanimous consent that Senate bill 3457 be allowed to lie on the desk until the close of business on Monday, June 25, so that additional Senators may have an opportunity to join in sponsoring the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

## DEATH OF SENATOR FRANCIS CASE, OF SOUTH DAKOTA

Mr. MUNDT. Mr. President, it is my very sad and most unhappy duty to inform the Senate of the death of my colleague, the Honorable FRANCIS CASE, the junior Senator from South Dakota.

Senator FRANCIS CASE passed away this morning at the Bethesda Naval Hospital, at Bethesda, Md. All of us were aware of his recent illness, but we had high hopes that he would regain his health and would continue to be with us. He appeared to be making a most welcome recovery. His death is a great loss to the State of South Dakota and to the Nation.

During his lifetime, Senator CASE held many positions of honor and trust on behalf of the people of our State. The people of South Dakota honored and respected him for his ability, his courage, and his integrity. No one ever needed be in doubt as to where Senator FRANCIS CASE stood on any issue.

During his service in the U.S. Senate, Senator CASE won the admiration and the respect of Members on both sides of the aisle. He will be sadly missed in this body.

Mrs. Mundt and I extend our sincerest and deepest sympathy to Mrs. Case, their daughter Jane, their granddaughter Catherine, and other members of the family.

Mr. President, at this time I should like to read into the RECORD a short biography of Senator CASE:

FRANCIS CASE, Republican, of Custer, S. Dak.; born December 9, 1896; former newspaper editor and publisher; operator of a ranch in the Black Hills; B.A., Dakota Wesleyan University, 1918; M.A., Northwestern University, 1920; L.H.D., South Dakota School of Mines and Technology; married Myrle Graves in 1926; children, Jane Marie, 1935; Francis H., Jr. (deceased), 1945; granddaughter, Catherine; served in U.S. Marine Corps, World War I; State regent of education, 1931-33; elected to House of Representatives from Second District of South Dakota in 1936, and served seven consecutive terms; elected to U.S. Senate in 1950, and reelected in 1956; House record includes: Case-Wheeler Water Conservation Act, 1937, and 1940; Renegotiation of Excess War Profits, 1942; Government Corporations Control Act—joint sponsor—1945; United Nations Invitation to United States, 1945; Case bill, labor relations, vetoed, 1946; Synthetic Liquid Fuels Act, 1948; and active in behalf of appropriations to implement 70-group Air Force; member House Committee on Appropriations, 1939-51; House Select Committee on Foreign Aid, 1947-48, and Joint Congressional Aviation Policy, 80th Congress; Armed Services; member, Senate Committee on Public Works and ex officio member of Appropriations Committee from Armed Services for Defense appropriation bill and from Public Works for rivers and harbors appropriations bill; Senate record includes: legislation for weather re-

search, cloud modification, desalination of water, and various amendments to highway acts; also introduced first legislation to dispose of surplus farm commodities for foreign currencies.

Mr. President, it has been arranged with the leadership of the Senate to set aside a time at a later date when Senators may deliver their eulogies in memory of our late colleague, Senator FRANCIS CASE, of South Dakota.

At this time, I send to the desk a resolution relating to the death of Senator CASE. The majority leader and the minority leader have some comments to make; and I ask that action on the resolution be deferred until they have spoken.

Mr. MANSFIELD. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I am happy to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, the United States and the State of South Dakota have lost a faithful and a dedicated servant in the person of our friend and colleague, FRANCIS CASE.

Like so many Members of this body, including the minority leader, the Senator from Illinois [Mr. DIRKSEN], and the colleague of Senator CASE, the Senator from South Dakota [Mr. MUNDT], I have served in both the House of Representatives and the Senate with this friend.

The death of this rancher, this newspaperman, but, above all, this statesman, has left a void which it will be hard to fill by his State, his country, and his party.

To say that I am shocked and distressed is greatly to understate my personal feeling, because I had great confidence in Senator CASE, and his integrity was never questioned.

Let me add that the many contributions Senator CASE made to the betterment of his State, our country, and the free world, will be remembered by all of us who have served with him and by all those who elected him to his exalted position.

On behalf of Mrs. Mansfield and myself, I extend our deepest sympathy to Mrs. Case, to their daughter Jane, and to the other members of their family.

Senator CASE will be greatly missed, because he made so many important contributions.

May his soul rest in peace.

Mr. MUNDT. Mr. President, I deeply appreciate the comments of the distinguished majority leader, for whom our late colleague, Senator CASE, has many, many times expressed to me profound admiration, respect, and affection.

Mr. DIRKSEN. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, sometimes the term "faithful servant" is rather widely used. If ever the tribute could be correctly used in referring to anyone with whom I have served in pub-



lic life, certainly it could well be said of FRANCIS CASE: "Well done, thou good and faithful servant; enter into the joy of thy Lord."

Mr. President, it was my privilege to serve with FRANCIS CASE for six of the seven terms he served in the House of Representatives; and during that time there was laid the foundation of a deep and enduring friendship. Furthermore, in 1950 both of us became Members of the U.S. Senate; and that friendship continued to ripen into one of a Gibraltar-like quality.

I had a great affection for him; and I felt singularly honored when, last September, I was invited to go to Mitchell, S. Dak., to help initiate his campaign for 1962. It was one of the great, outstanding meetings ever held in the great, far-flung State of South Dakota. Present were all the living Governors of the State—and there are many of them; and all rose to pay testimony to the services of FRANCIS CASE.

FRANCIS CASE could well be described, I think, as a living profile in courage, in conviction, and in devotion to freedom; and he will be sorely missed.

FRANCIS CASE had a brilliant mind which was remarkably capacious, par-

ticularly for detail, and, for analytical ability, was one of the greatest I have ever encountered.

So today I say farewell to a friend. We shall sorely miss him. My sympathy and that of the family go to Mrs. Case and to their child and grandchild.

Mr. MUNDT. Mr. President, I am very grateful for the very eloquent and meaningful remarks of the distinguished minority leader. Senator FRANCIS CASE and I served together for 24 years in the House and Senate as colleagues, as teammates, and as friends. While on occasion we had differences of opinion, I never once had a serious disagreement or argument with my beloved colleague. This is indeed a sad day for us all.

I call up the resolution which I have sent to the desk.

The VICE PRESIDENT. The resolution will be read by the clerk.

The Chief Clerk read the resolution (S. Res. 352), as follows:

*Resolved*, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. FRANCIS CASE, late a Senator from the State of South Dakota.

*Resolved*, That a committee of Senators be appointed by the President of the Senate to attend the funeral of the deceased.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The resolution was unanimously agreed to.

#### ADJOURNMENT

Mr. MUNDT. Mr. President, as a further mark of respect to the memory of the deceased Senator, I move that the Senate adjourn until 10 o'clock a.m. tomorrow.

The motion was unanimously agreed to; and (at 12 o'clock and 13 minutes p.m.) the Senate adjourned until tomorrow, Saturday, June 23, 1962, at 10 o'clock a.m.

#### NOMINATION

Executive nomination received by the Senate June 22, 1962:

##### DIPLOMATIC AND FOREIGN SERVICE

William M. Rountree, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Sudan.

## EXTENSIONS OF REMARKS

### Soviet Anti-Semitism

#### EXTENSION OF REMARKS

OF

### HON. STEVEN B. DEROUNIAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1962

Mr. DEROUNIAN. Mr. Speaker, following today's news of the most recent violations against the Jews by the Soviet Union, I wired President Kennedy as follows:

THE PRESIDENT,

The White House, Washington, D.C.:

According to this morning's papers new, violent Soviet anti-Semitism is taking place in Russia with merciless destruction of synagogues, the use of bombs, and actual killing of human beings. This is so reprehensible that it needs no further explanation. Are we to witness another pogrom reminiscent of Hitler? This shocking persecution of a religious people and desecration of places of worship must be stopped immediately. I respectfully request you take the necessary steps, immediately, to apprise the Soviet Union of our abhorrence of its atrocious demonstrations.

STEVEN B. DEROUNIAN,  
Member of Congress.

The following is the newspaper account of the violence, as it appeared in today's New York Herald Tribune:

NEW, VIOLENT SOVIET ANTI-SEMITISM: TORCH TO SYNAGOGUE, BOMB, DEATH  
(By Martin G. Berck)

A new pall of terror hangs over Russia's Jewish community of 3 million.

From large metropolitan centers to remote villages in the Caucasus and central Asia, there is a grave, fresh element of concern for Soviet Jewry. It is fear of vandalism, violence and pogroms.

The wave of fear is reinforced by a series of incidents, the details of which have not previously come out through the Iron Curtain. While not necessarily prescribed or encouraged by Soviet authorities, violence is seen as the consequence of the prominent role assigned to Jews in a far-reaching Kremlin campaign against so-called economic crimes.

In its impact on the Soviet masses—pressed by new belt-tightening measures—this campaign transcends by far Russia's unremitting attack on Jewish religious and cultural institutions. It even outweighs a recent allegation in the Soviet press that synagogues are centers of espionage and subversion.

It is in this context that authoritative sources disclosed to the New York Herald Tribune that:

Between 10 days and 2 weeks ago, a bomb exploded in front of the synagogue in Kutaisi, a town in the Soviet Republic of Georgia. The front of the building was damaged. Local authorities removed two other bombs planted in the synagogue.

Earlier last month, in another Georgian town, Tskhakaya, a synagogue was heavily damaged by fire, believed the result of arson. Traces of gasoline were found. The roof was totally destroyed. Religious objects—including 13 parchment Torahs (scrolls of the Mosaic law), prayer shawls and prayer books—were burned. A tourist who happened to be on the scene photographed these and smuggled the pictures out of the country.

The Torah scrolls are revered so much by Jews that when they in time wear out and can no longer be used for prayer and study,

they are not destroyed. Instead, the scrolls of the law are buried in a cemetery.

In Moscow, an elderly Jewish couple was slain in an ax murder by a street assailant. They were identified as F. M. Tunis and his wife, N. A. Tunis. An item to this effect was printed in the May 11 edition of *Izvestia*, the official government organ. Subsequently, the newspaper reported that the assailant was arrested, tried and sentenced to death. No hint was given of any anti-Semitic aspects of the case. But stories of several similar attacks have gained currency among Moscow's Jewish community.

Specialists on Soviet anti-Semitism see a direct connection between the synagogue desecration in Georgia and the economic crackdown spotlighting Jews as alleged blackmarketeers, speculators, currency manipulators and pilferers.

#### EXECUTED FOR EMBEZZLING

In Kutaisi, a Jewish defendant, A. F. Kleimanov, was arrested on charges of embezzling state property. After a show trial attended by workers and students brought by the truckload, he was sentenced to death by the supreme court of the Georgian S.S.R. The provincial newspaper, *Zaria Vestoka*, carried notice of his execution on March 17.

In Tiflis, capital of Georgia, an even bigger show trial was accorded another Jew, Mordekhai Abramovich Kakliashvili, on charges of currency speculation. Notice of his execution was carried in the paper the same day.

This, in part, is how *Zaria Vestoka* under a heading, "The end of the pack of wolves," described the Kakliashvili case during his trial last winter:

"And thus, an end has been brought to them. Relegated to the past are the voyages throughout the country's towns, the meetings in private flats. The tinkle of gold and the rustle of banknotes have died down, the luster of diamonds grown dim. Their way

has been logically ended, bringing them to the harsh bench in the courtroom. But they had known other days.

"\* \* \* from Moscow, Leningrad, Riga, and Erevan, gold coins of czarist coinage, dollars, pounds sterling, and Turkish liras followed to Mordekh Kakiashvili. And from his tenacious hands, Kakiashvili released them only with substantial profit, robbing his partners and accomplices. \* \* \* Even the religious books of the Torah have been used by several of them as depositories of foreign paper money."

In the pattern of such articles, no specific reference is made of the Jewish identity of the defendant. But the point is established by indirection and the idea of a Jewish conspiracy with international connections is suggested.

Kleimanov and Kakiashvili are among at least five Jews who have been executed on economic charges. At least 22 Jews are known among 40 Soviet citizens who have received death sentences. Prison terms have been given to between 100 and 150 Soviet nationals, of whom a majority are known to be Jews.

#### SPECIAL TREATMENT

It is inconceivable to Soviet specialists here that Jews, who constitute slightly more than 1 percent of Russia's population, could cast such a large shadow on Soviet economic life unless the regime decided to single them out for special treatment.

There is no doubt that such a decision was made, and in the view of experts, it serves these purposes:

Popular disgruntlement with new guns-instead-of-butter austerity measures can be blunted if the Jews can be blamed for siphoning off Soviet resources. This recalls the political uses of pogroms during czarist days.

Heightened distrust by Gentiles and fear among Jews serves to further an earlier Soviet objective: To destroy Jewish communal links in hopes of atomizing the Jewish community, politically suspect because of its tie with the West and with Israel.

#### ASHEN FRAGMENT OF TORAH

A translation of a fragment of the Torah (the lower part burned in the fire):

"And this will be a sign upon thy hand, and they shall be for frontlets between thine eyes, that ye remember that God brought thee out of Egypt with a strong hand, and that thou shalt keep this commandment forever.

"God will bring thee to the land of Canaan, the land promised to thee and thy fathers, and thou shalt pass into the length and breadth of the land."

#### Dr. Dorothy Cannon Lafferty

#### EXTENSION OF REMARKS

OF

#### HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1962

Mr. GIAIMO. Mr. Speaker, I should like to take this opportunity to bring to the attention of my colleagues and the American public, a signal honor which was conferred recently upon an exceptionally talented and lovely lady—my constituent, Dr. Dorothy Cannon Lafferty.

Dr. Lafferty is employed as a publications writer for the U.S. Information

Agency. Her unique talents were recognized by USIA on June 19, 1962, when Dr. Lafferty was chosen to receive the Meritorious Service Award. The citation accompanying this award reads:

For meritorious service and especially for outstanding accomplishment of assigned responsibilities with an exceptional record of achievement showing great versatility and skill as a writer in subjects ranging from education, space, science, and literature to international politics.

I join Dr. Lafferty's many friends and coworkers in congratulating her and wishing her continued success.

#### New Farm Legislation Still Needed

#### EXTENSION OF REMARKS

OF

#### HON. BURR P. HARRISON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1962

Mr. HARRISON of Virginia. Mr. Speaker, as one who concluded, in the closing hours of debate yesterday, to vote to recommit to committee the farm bill, I wish to express the opinion that the action of the House does not mean that sound legislation cannot and should not be passed at this session of the Congress.

I have always opposed, and still do oppose, Government price support for agricultural commodities. Nevertheless, I recognize the validity of the basic principle of this measure that, if prices are to be supported, production must be controlled.

But I do not think it is either just or necessary that the production of livestock should be subjected to ironclad Government control and regimentation in the guise of the control of production of grain.

An analysis of the group of Democrats voting to recommit this bill clearly reveals that this feature of it was a decisive influence in the measure's defeat.

Yet, when the House was considering the Abernethy amendment which dealt with this subject and was so vital to so many of us, debate was cut off, and many Members representing livestock districts were limited to 1½ minutes within which to express their views.

It may well be true that the verbiage of the Abernethy amendment could be improved so as to protect against abuse, but I believe a measure that carries out its fundamental purpose would pass the House.

It would also seem to me advisable that, on another attempt, the committee present the House with a measure that need not be rewritten on the floor. No person could evaluate intelligently the overall results of a bill containing over 30 amendments adopted on the floor. Equally bad was the fact that, in the rush to force a vote last night, debate was closed, and 15 or 20 Members were denied the opportunity to explain the purpose of serious amendments to a bill

which already had been practically rewritten.

Finally, I want to earnestly disagree with the criticism and abuse of Secretary of Agriculture Freeman. Mr. Freeman was kind enough to go over with me the provisions of the bill as reported by the committee. I was much impressed with his capacity and sincerity of purpose and the very earnest efforts he is making to protect the public treasury from a scandalous situation in agriculture for which he is not responsible.

#### Address by Congressman D. R. (Billy)

Matthews, Eighth District, Florida, Dedication of Izaak Walton League Building, Waltonian Acres, York, Pa., Sunday, June 17, 1962

#### EXTENSION OF REMARKS

OF

#### HON. GEORGE A. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1962

Mr. GOODLING. Mr. Speaker, on Sunday, June 17, 1962, the dreams and aspirations of the membership of the York Chapter, Izaak Walton League of America, became a reality.

Founded in 1926, this chapter has grown and is now the largest in Pennsylvania. For many years meetings were held at varying places. A farm was purchased and a makeshift meeting room was fashioned from an existing building.

Immediately upon the purchase of the farm an outdoor improvement project was planned. Traps were installed and a suitable service house was constructed. Rifle and archery ranges were built. Bulldozers fashioned a lake which has since furnished fishing pleasure for countless numbers in season, and skating in winter. Swings and various playground equipment were installed for the younger members. A beautiful, well-kept meadow has ample room for games of every description. Fireplaces and tables furnish excellent facilities for family picnics.

The big project in the minds of all was a clubhouse. Fortunately, the founding fathers did some sound thinking which might well be emulated by many in Government today. No debt was to be incurred. Everything had to be on a pay-as-you-go basis. Sunday the building committee turned over to the membership, debt free, a building which would have cost \$35,000 to \$40,000 to construct. Fortunately, practically all labor was donated by members and the cost was greatly reduced.

The highlight of the occasion was the dedicatory speech of Congressman MATTHEWS, of Florida. His remarks, which follow, apply not only to the York Chapter, Izaak Walton League of America, but to every group and every individual in-



terested in conserving our natural resources:

ADDRESS BY CONGRESSMAN D. R. (BILLY) MATTHEWS, EIGHTH DISTRICT, FLORIDA, DEDICATION OF IZAAK WALTON LEAGUE BUILDING, WALTONIAN ACRES, YORK, PA., SUNDAY, JUNE 17, 1962

Congressman GOODLING, honored guests, ladies and gentlemen, we are gathered here today to dedicate this building as testimony to the enduring worth of purpose and accomplishment, past, present, and future, of the Izaak Walton League of America.

I am delighted to participate in this great occasion which is truly a bipartisan participation. Good Democrats and good Republicans are gathered together here because we have a united interest in conservation. The splendid soloist and band a few minutes ago rendered "God Bless America," and if the time ever comes when both of our political parties fail to unite in a common purpose to achieve such a great objective as the conservation of our natural resources in America, we might well be singing God help America.

Izaak Walton lived from 1593 until 1683, and we turn to the simple and quiet pastoral prose of this happy old man for comfort in a modern age. Izaak Walton was apprenticed to an ironmonger in London and became a freeman of that company in 1618. In spite of his vocation his inclinations seem always to have been literary. He knew both Donne and Jonson, and was acquainted with other poets. He was a Royalist by sympathy, but since he was half a century old when the Great Rebellion broke out, he does not seem to have taken sides very actively with either party. It is characteristic of this quiet man that after the execution of the king, during the years in which Cromwell and his Parliaments were struggling to establish a stable government, Izaak Walton was peacefully writing about fish. To the feverish contestants he gave only one admonition, apparently: love virtue, trust in providence, be quiet, and go a-angling. It was his own peaceful creed.

Upon retirement, I know of no finer admonition that we can follow.

Walton was a rather prolific writer and he expressed his literary ability first in a biography of Donne; then he added biographies of Sir Henry Wotton, Richard Hooker, George Herbert, and Robert Sanderson. But his best work was his fisherman's classic, "The Compleat Angler." This charming mixture of learning and wisdom is built on the framework of 5 days of fishing and quiet conference between the fisherman, the hunter, and the falconer. These three country sports are represented, but the fisherman leads the others and in the end converts them to his quiet form of recreation. The style of "The Compleat Angler" is quiet, natural, simple, naive, childlike. It harmonizes with the subject matter, fishing, and the country background of peaceful meadows, quiet streams, singing milkmaids, and brook fish breaking the water to snap at the fisherman's flies. Walton has been called the prose poet of the English countryside, and the epithet exactly suits him. Small wonder that he lived to the age of 90.

As a beautiful example of restful prose, may I quote from "The Compleat Angler," by Izaak Walton: "Look, under that broad beech tree I sat down, when I was last this way a-fishing; and the birds in the adjoining grove seemed to have a friendly contention with an echo, whose dead voice seemed to live in a hollow tree near to the brow of that primrose hill. There I sat viewing the silver streams glide silently towards their center, the tempestuous sea; yet sometimes opposed by rugged roots and pebble stones, which broke their waves, and turned them

into foam; and sometimes I beguiled time by viewing the harmless lambs; some leaping securely in the cool shade, whilst others sported themselves in the cheerful sun; and saw others craving comfort from the swollen udders of their bleating dams. As I thus sat, these and other sights had so fully possessed my soul with content, that I thought, as the poet has happily express it:

"I was for that time lifted above earth;  
And possess joys not promised in my birth."

Over 40 years ago, on January 14, 1922, to be exact, a group of 54 sport fishermen met in Chicago, Ill., to establish a purposeful organization—this is considered the founding day of your league which by its name memorializes that revered philosopher and lover of nature—Izaak Walton. Like its namesake and his noted work, "The Compleat Angler" published in 1653, the league endures in purpose and accomplishment, and a current membership of 60,000 members bears witness to this fact. The 54 far-sighted founders of your organization were drawn together in the belief that the sport fishing resource was endangered to such extent that the continuance of its very environment was at stake. From this mutual conservation rallying point the league has moved to develop sound policies dedicated to the defense of our Nation's soil, woods, waters, and wildlife resources.

As league membership has grown far beyond that of the days of its founding, so, also, have the interests of this membership, and, in consequence, the influence of the league itself. Mutual enthusiasm for preserving sport fishing and the environment of such fisheries which served to bring the league's charter members together in common interest has since developed and spread into broadly based interests covering the full scope of natural resource conservation, administration and management.

I do not know of any more important objective than that of the conservation of our natural resources. One of the great reasons our Republic has reached greatness is that a divine providence granted us navigable streams, clear, sweet waters, and thousands of miles of watery fairland throughout our country. And yet through the years, no country in recent time has so ruthlessly exploited its resources and polluted its streams as has our own. The league has worked doggedly and effectively to influence and motivate progress for the preserving, rebuilding and proper utilization of our natural resources over the decades of its existence.

In this modern day of ours, there is no more demanding necessity than areas where the minds of men can find peace in fishing, hunting, hiking, and in just the simple enjoyment of the quiet contemplation of nature in all of its glory.

Historians tell us that civilizations have fallen in the past because of many reasons. Certainly, three of the most important reasons are: First, they have forgotten things of the spirit and have turned entirely to things of the material life. Then, in the second place, all civilizations that have fallen in the past have done so because they tried to solve the same old problems with the same old solutions. They did not have the spirit of research and inquiry that would lead to proper adaptation to the environment.

The third reason that civilizations have fallen is because of the exploitation and misuse of their natural resources, and in particular, the land. When Romans, for example, left the land where they made bread and went to the city where they baked bread—Rome was not far from its fall. So I say to you—you have a very historic mission and that is to help save the natural resources of America.

It is not necessary for me to remind you of the league's resolutions of 1962. You have resolved yourself in favor of preserving the natural elements of our national parks and national monuments; you want to see the establishment of shoreline and other national recreation areas; you want to acquire wetland areas to preserve our migratory bird heritage; you want our wilderness preserved insofar as possible; you want further lands acquired within the boundaries of the Superior National Forest; you want proper public access to public waters; you want Federal lands more available for recreational potentials and retained for recreational development purposes; you've endorsed the principle of multiple-use activities on lands falling within the small-woodlands category serviced by programs carried out by the Federal and State forest services; you do not want off-highway travel by wheeled vehicles on public and private lands; you have rededicated yourself again to achieve the goal of unpolluted, clean waters to provide the American people with clean water whether in streams, rivers, ponds, lakes or coastal waters.

Many times in Washington, I have stood on the banks of the Potomac and viewed with shame this mighty river, whose waters were once so sweet, and now so foul that not only is drinking of the water inconceivable, but bathing in it would be a health hazard.

Thanks, however, to your consecrated efforts and the efforts of thousands of others like you in America, our waters are again becoming clean. We are making great progress in the conservation of our natural resources. I know of no finer tribute to pay to you than that which was paid by Herbert Hoover, who has been an honorary president of the league since 1926, when he said: "The Izaak Walton League has become the greatest force in the country for the protection and development of opportunities for outdoor life. As our people increase in numbers and in leisure we must have stimulation to health, and above all the moral value that comes from association with nature. Every member of the league is a further soldier in our ranks, fighting an organized battle for this vital thing in the Nation."

In conclusion, I would propose that this fine building at Waltonian Acres be dedicated to the end that the league undertake to bring about a unity of purpose among all conservationists—the unity of purpose required in our time to hand down the beauty and natural wealth of our land in as undiminished a state as may be possible to those who succeed us. By mobilizing a unified private effort through your leadership, much more can be done than would otherwise be the case to perpetuate a truly American environment—one containing open spaces of fine, green country, where clean, fresh water, wildlife, and natural beauty may abound to the enduring benefit of our increasingly urbanized population.

### Questionnaire Results

#### EXTENSION OF REMARKS OF

**HON. HERMAN TOLL**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1962

Mr. TOLL. Mr. Speaker, this week I announced the results of a poll included in my April newsletter, which contained 20 questions on current bills pending in this Congress. The mailing went to

approximately 50,000 constituents by the postal patron method and over 3,000 replies have been tabulated so far.

The administration trade bill received a favorable vote of more than 66 percent. Votes for the United Nations loan

bill reached over 62 percent. The bill on medical care for the aged under social security received 75 percent in favor. President Kennedy's decision in the nuclear testing field was supported by slightly over 84 percent. However, more

than 65 percent did not favor Federal fallout shelters for nonprofit groups for 50 or more persons.

Because I thought the questions and results would be of interest to the Members, I have included them below:

	Percent		
	Yes	No	No opinion
Do you favor—			
1. H. R. 9900, which authorizes the President to reduce tariffs by 50 percent, generally, to abolish tariffs on certain goods and to provide Government assistance to U.S. industries and workers affected by increased imports?	66.1	24.9	9.0
2. H. R. 9982, which authorizes the President to lend up to \$100,000,000 to the United Nations?	62.3	32.7	5.0
3. S. 2996, which authorizes appropriation of \$4,878,500,000 for military and economic foreign aid?	55.3	33.9	10.8
4. S. J. Res. 29, constitutional amendment abolishing the poll tax as a requirement for voting in national elections?	85.0	10.7	4.3
5. H. R. 10034, which prevents discriminatory use of literacy tests as a requirement for voting by declaring all persons with a 6th-grade education literate for voting purposes?	74.5	19.9	5.6
6. H. R. 4222, which provides for payment of hospital, nursing home, and other medical costs of persons over 65 who are covered by social security?	75.0	22.4	2.6
7. H. R. 10682, which provides for a Youth Conservation Corps and other training programs and benefits to prepare unemployed youths for skilled jobs?	87.4	10.0	2.6
8. H. R. 10262, which authorizes Federal payments to nonprofit groups for the construction of approved public fallout shelters for 50 or more persons?	24.7	65.2	10.1
9. H. R. 10115, Communications Satellite Act of 1962, creating a privately owned corporation to launch and operate worldwide system of communication by relay satellites?	47.3	38.1	14.6
10. S. 174, which establishes a national wilderness preservation system by setting aside 6,800,000 acres in 44 States for recreational purposes?	87.9	6.5	5.6
11. H. R. 10185, which authorizes wiretaps of telephone lines in cases involving the national security and serious crimes?	66.5	25.7	7.8
12. H. R. 10113 which provides standby authority for the President to accelerate Federal public works programs in times of recession?	78.5	18.2	3.3
13. S. 162, which creates a Commission on Noxious and Obscene Matters and Materials to explore means of combating distribution of pornographic literature?	77.1	18.3	4.6
14. H. R. 10144, the Federal Equal Employment Opportunities Act, which prohibits discrimination in Federal employment because of race, religion, color, national origin, ancestry, or age?	85.1	10.6	4.3
15. President Kennedy's decision, for the security of our country, to resume nuclear testing in the atmosphere if the Soviet Union refuses to sign a test ban agreement with fool-proof guarantees for mutual inspection?	84.4	12.6	3.0
16. Tighter Federal controls over TV programming?	47.9	43.2	8.9
17. Federal aid for public elementary and high school construction?	67.1	29.5	3.4
18. Use of Federal funds to help improve teachers' salaries?	52.0	42.7	5.3
19. Use of Federal funds for long-term, interest-bearing loans to private schools for construction and renovation?	49.5	45.6	4.9
20. An income tax deduction for tuition payments, by a taxpayer for himself or his dependents, similar to religious or charitable contributions, in view of the importance of an educated citizenry to the security of our country?	77.8	19.0	3.2

## University of Oklahoma Honors Carl Albert

### EXTENSION OF REMARKS

OF

## HON. ED EDMONDSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1962

Mr. EDMONDSON. Mr. Speaker, annually at commencement the University of Oklahoma awards the distinguished service citation to a handful of men and women "who have made positive contributions to human progress through their devotion to enduring values, and their unselfish and sustained service to others." This spring the citation was presented to the Honorable CARL ALBERT, present majority leader of this body. Today, in recognition of the award and the man, the University of Oklahoma alumni are honoring Mr. ALBERT with a luncheon.

CARL ALBERT has served with distinction in many capacities and has performed with excellence in many activities. One activity in which he excels is public speaking. He first achieved recognition for oratory when he was in his teens. In 1927, as a high school senior, CARL ALBERT won first place in the fourth national oratorical contest. To win this contest, which was sponsored by metropolitan newspapers, CARL wrote and delivered an original 10-minute oration on the Constitution of the United States. While this address is recognizably that of an enthusiastic and idealistic young man, its spirit and its cogency are no less

pertinent today than they were 35 years ago.

Mr. Speaker, following is the prize-winning oration which young CARL ALBERT delivered before President Calvin Coolidge and the U.S. Supreme Court on May 27, 1927:

#### THE CONSTITUTION

(By CARL ALBERT)

Our Constitution, in the course of its existence, has weathered many storms arising within and without our country. Today, a new attack against this memorable document comes from sunny Italy where there has arisen a strong dictator, Benito Mussolini, who boasts that the Fascist system of government is not only the best in Europe but that it is even superior to that of the United States. Whether or not his boast is true as far as Europe is concerned we do not know.

But for this, our country, we can answer that notwithstanding the political and economic convulsions of 140 years, under the provisions of our Constitution and by virtue of our Constitution the American people are enjoying the blessings of the fullest degree of liberty and freedom and have attained a measure of material prosperity unequalled by any other nation.

The essential force which has wrought our country's great achievements under the Constitution arises out of the wisdom and forethought of our fathers in founding upon certain tried and well conceived principles this republican form of government, of, by, and for the people. By its form of government the Constitution places in the Central Government a degree of authority strong enough to cope with any national emergency and to preserve stability throughout the land though it has reserved to the States their rightful sovereignties.

Through its scheme of lawmaking, its methods of amendments, and its judicial interpretation, the Constitution has always

been found sufficiently broad and elastic as to comprehend and justify every bit of progressive legislation necessary to meet the demands of a growing republic without a destruction of its framework.

To curb the dangers of irresponsible Government, the Constitutional Convention invented and incorporated within the fundamental chart a system of checks and balances. Under that system officials are rendered amenable to the people by periodic elections. By its power of impeachment Congress can check the arbitrary actions of the President. By his power of veto the President can halt unworthy congressional legislation; while the Supreme Court has power to forbid the enforcement of laws violating our beneficent guarantees. In its Bill of Rights the Constitution holds the rights of the individual and the minority to life, liberty, and property, to privacy of home, freedom of worship, and trial by jury inviolate. Under these principles during a century and a half no dictator has ever held sway over the United States. To the contrary, the blessings of liberty have been secured and the people have dictated the passage of every law by virtue of the sovereign power which never leaves their hands.

But great as the principles of our Constitution are, many of these principles have failed in other constitutions to accomplish their intended results though dedicated to similar purposes—though conceived in aspirations equally high.

It would seem, therefore, that the explanation for our success is found not only in the soundness of these principles but in the adaptability of these sound principles to the conduct and environment of the people of this fortunate land of ours—truly termed "the land of the free and the home of the brave." The spirit of independence coupled with the self-restraint that had grown out of the life of the American pioneer, the thorough endorsement by public opinion of the Bill of Rights and Magna Carta, principles bought by the blood of the followers



of Washington became the soul and embodiment of the Constitution of the United States.

This Constitution, unlike most written constitutions, was not an instrument full of utopian promises built to encompass the people with an artificial framework. It was rather the result of the long and earnest deliberation of a duly selected and authorized group of practical statesmen—a machine with its ultimate source of energy and power in the people, constructed to operate effectively with the spirit and life of the Nation, adjusted to the thought and the behavior of the people, dedicated to the sublime purpose—the attainment of the needs and desires of the people.

In view of these facts it is no wonder that the people of the United States in their daily lives—the American boy and his teacher at school, the American mother with her little babe in the home, and that great body of American workers and producers as it lends its efforts to a nation's progress—all rest assured that the ultimate application of the law of the land will furnish an adequate defense and protection.

My fellow countrymen, if our achievements under the Constitution result from the exemplification of its great truths and principles in the lives and conduct of our people then if we intend to realize the boundless hopes before us we must keep ever aflame in the American heart the spirit and ideals of the patriot of '87. Through we rejoice in the knowledge that our Constitution has enabled us to make unprecedented material achievements yet we must never lose sight of the undeniable truth that the greatest heritage passed to us through this Constitution is the sacred guarantee of individual liberty and the right of the people to republican form of government.

Then lest we would sink to a pagan materialism let us revere, and protect this priceless heritage. Let us think the thoughts of those who built the nation. Then lest the wolves of faction force us to anarchy and civil decay let us be ever watchful of those who seek to change the Constitution at every turn of public passion. Sound progress must and will be made within the terms of this bulwark of our liberties. In this, our onward march, let there be no spirit of sluggish reaction but holding high the torch of patriotism in peace as in war we shall combat the insidious enemies of our unity and prosperity. With the bodyguard of commonsense and the weapon of reason let us flout and expose the false propaganda of those who seek to overthrow the priceless charter of our liberties. Then will our posterity be able to achieve the admitted possibilities of constitutional government. Then will "the mystic chords of memory stretching from every battlefield and patriot grave to every heart and hearthstone in this broad land still swell the chorus of union."

## An Analysis of the Herlong-Baker Bills

### EXTENSION OF REMARKS

OF

## HON. HOWARD H. BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, June 22, 1962

Mr. BAKER. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD I include therein an analysis of the Herlong-Baker bills (H.R.

CVIII—720

2030 and H.R. 2031), prepared by the staff of the Committee on Ways and Means pursuant to requests for comments by various Members of Congress and other interested parties;

### THE HERLONG-BAKER BILLS, 87TH CONGRESS

Over the past several years, a great deal of interest has centered upon a series of approximately identical bills which provide substantial, scheduled tax reduction in all areas except excises. This legislation, which is currently commonly referred to as the Herlong-Baker bill, goes back to legislation introduced in the 86th Congress by Congressman HERLONG (H.R. 3000) and Congressman BAKER (H.R. 3001). The bills are broadly similar to bills introduced still earlier by Congressman HERLONG and Congressman Sadlak.

In the present session, the bills of this type are: H.R. 2030, Congressman HERLONG; H.R. 2031, Congressman BAKER; H.R. 2200, Congressman ALGER; H.R. 3535, Congressman HALL; H.R. 3726, Congressman ADAIR; H.R. 4007, Congressman ROBISON; H.R. 5529, Congressman FISHER; H.R. 6087, Congressman FRAZIER; H.R. 6482, Congressman FINDLEY; H.R. 7136, Congressman DEROUNIAN; and H.R. 12088, Congressman MACGREGOR.

### I. BRIEF DESCRIPTION

The bills provide for substantial reduction on a gradual basis in the rates of individual and corporate income tax, a gradual speedup in allowance of depreciation deductions, and immediately, a reduction in estate and gift taxes and a deferral of tax on capital gains which are reinvested in other capital assets.

### II. DETAILED DESCRIPTION

#### A. Individual income taxes

The bills provide a schedule of reductions in individual income taxes. In the first surtax bracket, this reduction will be 25 percent (i.e., 5 percentage points, from 20 percent to 15 percent). In most of the higher brackets, the reduction in the rate is 50 percent. The rate changes are such that the percentage of reduction increases as income increases so that at an income of about \$60,000, joint return, the total reduction is 50 percent and it remains close to 50 percent in higher brackets. The top surtax rate would be reduced 44 percentage points—from 91 percent to 47 percent.

Another way to describe the rate changes in the higher surtax brackets is to say that the progressive element in each rate, the part above the first bracket rate, is reduced on the average by 70 percent. The rate, for example, which is now 72 percent is 52 percentage points higher than the first bracket rate. Under the bills, it is reduced to 30 percent which is only 15 points above the new first bracket rate of 15 percent.

The bills provide that the individual rate reduction will take place in five nearly equal installments. Each installment after the first can be postponed by the President for a period up to 1 year. If one installment is postponed in this way, all of the subsequent installments are automatically postponed without reducing their own potential postponement of 1 year. The maximum postponement would stretch from 5 to 9 years, the period over which the full reduction would come into effect. The mechanics of the postponement are discussed below.

#### B. Corporate income taxes

The bills provide a 5-point reduction in the combined corporate tax, 52 to 47 percent. Three points would be taken off the corporate normal tax, now 30 percent, and two points would be taken off the corporate surtax, now 22 percent of income over \$25,000. The corporate rate reduction is also scheduled over 5 years and by postponements

could be stretched to 9 years. The normal tax reduction comes first.

### C. Depreciation revision

The bills provide maximum useful lives of property for depreciation purposes for buildings of 30 years (now about 50 years), and for equipment broken into five broad categories ranging from 3 to 12 years (now lives go up to 33 years). The shorter lives would apply only to new property (not property now on hand and not used property). The reduction in useful lives shall apply only to the extent of one-fifth for property acquired in the first year, two-fifths for property acquired in the second year, etc., so as to be fully effective for property acquired in the fifth year after enactment and all succeeding years.

When property subject to the new faster depreciation is sold, any gain will be taxed as ordinary income except to the extent it exceeds original cost.

### D. Capital gains

The capital gains change provided in the bill is the so-called rollover proposal. Capital gains will not be recognized (i.e., will not be taxable), to the extent that the proceeds from the assets sold are reinvested during the year in other capital assets. To the extent that gains are not recognized because of this rule, the basis of the assets acquired is reduced. To illustrate, assume A sold during the year, for \$10,000, stock costing \$5,000 and bought new stock for \$9,000. A gain of \$1,000 would be recognized and the new stock would be treated for tax purposes as having cost \$5,000.

### E. Estate and gift taxes

The bills provide a reduction in the estate and gift tax rates of approximately 40 percent. Gift tax rates now range from 2½ to 57½ percent, estate tax from 3 to 77 percent. The bills do not change the credit for State death taxes so that on medium and larger estates the net Federal estate tax would be reduced by about 50 percent.

### F. Procedure for postponement of individual and corporate rate reductions

By November 15, if the President finds that the rate reductions scheduled for the following year would involve a budget deficit he could, by Executive order, postpone the reductions to July 1. In his budget message, he could recommend a further postponement to next January 1. Congress, by joint resolution before May 15, could require the reductions in the individual and/or corporate rates to come into effect July 1. In the absence of congressional action, the President can postpone the reduction to next January 1, if necessary to preserve budgetary balance. When a rate reduction has been postponed for a year, that rate cannot be further postponed, but all subsequent automatic reductions are set back 1 year.

### III. BASIC ARGUMENTS FOR THE BILL

The supporters of the bill emphasize two basic arguments:

a. Forward Scheduling of Tax Reduction: The argument is made that under present circumstances with more or less fixed tax rates there is a tendency for the Government to anticipate revenues and devise expenditure programs to use up the money. It is claimed that if the Congress schedules rate reduction on a forward basis, the knowledge that not so much revenue will be available will force the holding down of expenditures to what is coming in.

b. Incentives: The argument is made that the pattern of rate reduction provided in the bill, by reducing the degree of progressivity in individual rates and by reducing business taxes, taxes on capital gains and on

estates, will provide such a stimulus to economic growth that the revenue loss will be offset by the resultant growth of the tax base.

If the bills were enacted applicable to the calendar year 1962, the revenue impact would be approximately \$3½ billion, just about the same as the increase in revenue

due to the growth of the gross national product, the one offsetting the other if not appropriated by the Congress and spent by the executive departments.

Nearly 60 percent of the reduction would fall in taxable income brackets below \$6,000 per year; only 6 percent in the brackets above \$50,000 per year.

Since so many high Government officials and so many segments of our economy are discussing imminent tax reductions "across the board" and from "top to bottom," this would seem to be a propitious time for serious consideration and adoption of this method of substantial scheduled tax reduction.